

Idaho Employment

A monthly newsletter of the Idaho Department of Labor

IDAHO
DEPARTMENT OF LABOR

LABOR.IDAHO.GOV

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State Overview

UNEMPLOYMENT RATE DROPS AGAIN TO RECORD LOW 2.3 PERCENT

Idaho's seasonally adjusted unemployment rate hit a new low in May, but the decline of half a percentage point to 2.3 percent may be a statistical aberration that overstates how low the rate actually is. It will be another month or two before the number of unemployed in the state can be validated. April's unemployment rate was 2.8 percent.

May was the fourth straight month that Idaho's jobless rate has been below 3 percent and the 25th month in a row it has been under 4 percent, the level most economists consider full employment. In 2006, May's unemployment rate was 3.5 percent.

May 2007 was the 68th month that Idaho's unemployment rate has been below the national rate, unchanged from April at 4.5 percent. Idaho and Mon-

Continued on page 2

STATE DEPARTMENTS OF LABOR AND COMMERCE RETURN TO SEPARATE AGENCIES

On July 1, Idaho Commerce & Labor completed a separation into two agencies — the Department of Labor and the Department of Commerce — as they existed in the past.

Gov. C.L. "Butch" Otter announced the plan in his first State of the State address in January. The Legislature approved the move earlier this year.

Each agency will continue to support and enhance Idaho's economic climate but each will focus more precisely. "The Department of Labor is committed to providing skilled workers for quality jobs that strengthen communities," said Labor Director, Roger B. Madsen.

Idaho Labor will continue serving the needs of businesses and workers in the areas of employment services, unemployment insurance, wage and hour laws, work force training, communications and research and Social Security disability determinations while maintaining work force and research support to the Department of Commerce.

Under the leadership of Director Jim Ellick, the Department of Commerce will continue its focus on recruiting new businesses, enabling existing businesses to expand, strengthening communities and marketing the state through its economic and community development, International trade, science and technology and tourism divisions.

Each agency will maintain its own Web site – labor.idaho.gov and commerce.idaho.gov.

The two agencies operated separately until they were merged in 2004 under Gov. Dirk Kempthorne.

tana had the lowest unemployment rate in the country at 2.3 percent. Hawaii and Utah followed at 2.5 percent. Virginia with an unemployment rate of 2.9 percent was the only other state to have a rate below 3 percent.

The number of workers with jobs in May set a record for the third time in the last four months, hitting 737,800. That was 4,500 more than in April and 16,000 more than a year earlier.

Unemployment insurance statistics also show that people who become unemployed are finding new jobs much faster this year than they did a year ago.

The increase in people working was supported by a 1.1 percent increase in nonfarm jobs across the state. Nonfarm payrolls added 7,000 more jobs in May to total 656,100. Nonfarm jobs have increased each month during 2007, and since January nearly 25,000 jobs have been added to Idaho's economy. The job market is extremely tight, and employers should expect upward pressure on wages.

AREA HIGHLIGHTS

The apparent aberration in the statewide unemployed figures is affecting labor market, county and city unemployment rates as well. Every Idaho labor market area, county and city experienced an unemployment rate below May 2006. With the exception of Meridian, every labor market area, county and city had a decrease in the number of unemployed from May 2006.

Three of Idaho's 10 labor market areas had unemployment rates of more than 3 percent in May. Grangeville had the highest at 3.4 percent followed by Lewiston at 3.2 percent and Burley at 3.1 percent. Hailey once again had the lowest at 1.5 percent, down from 1.9 percent in April. With the exception of Hailey, the labor market area unemployment rates are more than a full percentage point below the level of May 2006. Hailey's rate was nine-tenths of a percentage point less.

No county had an unemployment rate of more than 5 percent. Boundary had the highest unemployment rate at 5 percent. Owyhee had the lowest at 1.4 percent. Every county's unemployment rate is below May 2006 from as little as two-tenths of a percentage point in Lewis to as much as 2.5 percentage points in Clark,

Unemployment rates are calculated for nine Idaho cities. Caldwell had the highest rate at 2.6 percent and Twin Falls had the lowest at 1.5 percent. All nine reported lower rates compared to May 2006. See State Table 1 on page 3 for specific data.

INDUSTRY HIGHLIGHTS

Agriculture employment was up 2,800 jobs from April with ground preparation, planting and irrigating in full swing. The number of agricultural workers normally increases throughout the spring until it peaks first in July with the beginning of grain harvest and again in October with sugar beets and potatoes. Irrigators, sheepherders, ranch hands, dairy workers and landscape laborers are needed. Current information on agricultural activity is available in the *Idaho Farm Update* at http://lmi.idaho.gov/admin/uploadedpublications/4101_final_copy_english.pdf.

Nonfarm payroll jobs grew another 7,000 in May to hit 656,100. Compared to May 2006 nonfarm jobs increased 15,600, up 2.4 percent. Nearly a third of the job growth from April was in the goods-producing industries at 2,300. The rest, 4,700, came in the service sec-

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janell.hyer@labor.idaho.gov

or to the Regional Economists noted in each area news section.

Editors

Bob Fick (bob.fick@labor.idaho.gov)

Jean Cullen (jean.cullen@labor.idaho.gov)

C.L. "BUTCH" OTTER, GOVERNOR

ROGER B. MADSEN, DIRECTOR

Partners with
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tor. Job gains from May 2006 were in service industries. The production sector lost 400 jobs. See State Table 2 on page 6.

The year-over-year job growth continued but at the slowest rate since March 2004, when it stood at just 1.9 percent. The strongest growth rate was a year earlier when the number of nonfarm jobs increased 5.2 percent from May 2005 to May 2006. The slowdown should not cause a great deal of concern. It just shows that economic activity is returning to a more reasonable and sustainable level.

The growth in nonfarm jobs in the past several years has been driven by the construction industry. Construction, particularly in the commercial area, added about 2,000 jobs from April, reflecting a seasonal trend more than economic strength, especially since the once-booming residential construction sector is slowing. Between May 2005 and May 2006 construction added over 8,000 jobs, but the sector lost 400 jobs between May 2006 and this May.

Administrative and support services increased by 1,800 jobs from April but only 900 from one year ago. Temporary help, employment placement, janitorial and landscaping services continue to drive growth in this sector not only on a month to month basis but also over the year.

Spring weather resulted in 1,300 more jobs in the trade sector, particularly in gardening, building materials and even general retail outlets as people shop for summer wear and accessories. The growth in the number of general merchandise stores, which includes Wal-Mart, Target and Kohl's continued. National chains are expanding to Idaho cities, creating hundreds of jobs in the last 12 months.

Leisure and hospitality rose by 1,400 jobs, reflecting the start of Idaho's summer tourism season. The food service sector is behind the expansion. Hotels and other lodging places are growing but not at the pace of restaurants. This trend may change as the tourist season kicks in, and several new hotels are completed across the state.

ONLINE UPDATES

COUNTY PROFILES

"County Workforce Trends," labor market profiles of each of Idaho's 44 counties and the state overall, will be updated this month. They include data and narrative on population, labor force, nonfarm payroll jobs, covered employment and wages, large employers, frequently requested occupational wages and personal income. The profiles have been updated to include the most recent population, income and employment data. They can be accessed in a PDF format online at labor.idaho.gov/lmi/pubs/profilemenu.htm or by logging on to the agency's

State Table 1: May 2007 Labor Force (preliminary)				
Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Lewiston MSA	30,171	978	3.2	29,193
Nez Perce County	19,604	512	2.6	19,092
Asotin County, WA	10,567	466	4.4	10,102
Boise City-Nampa MSA	300,741	6,340	2.1	294,400
Ada County	199,921	3,809	1.9	196,112
Boise County	4,336	79	1.8	4,258
Canyon County	83,778	2,186	2.6	81,592
Gem County	7,807	199	2.6	7,608
Owyhee County	4,898	67	1.4	4,830
Pocatello MSA	44,509	1,058	2.4	43,451
Bannock County	40,874	959	2.3	39,915
Power County	3,635	100	2.7	3,535
Idaho Falls MSA	58,611	1,094	1.9	57,517
Bonneville County	48,173	880	1.8	47,293
Jefferson County	10,439	215	2.1	10,224
Coeur d'Alene MSA*	71,134	1,833	2.6	69,301
Burley MicSA	19,520	596	3.1	18,924
Cassia County	10,064	265	2.6	9,799
Minidoka County	9,456	331	3.5	9,125
Rexburg MicSA	20,253	441	2.2	19,812
Fremont County	5,770	125	2.2	5,644
Madison County	14,484	316	2.2	14,168
Twin Falls MicSA	48,664	980	2.0	47,684
Jerome County	10,355	273	2.6	10,082
Twin Falls County	38,309	707	1.8	37,602
Grangeville SLMA	9,033	311	3.4	8,722
Idaho County	7,232	269	3.7	6,963
Lewis County	1,801	42	2.3	1,759
Hailey SLMA	15,599	227	1.5	15,372
Blaine County	14,960	216	1.4	14,744
Camas County	639	11	1.7	628
Adams County	1,986	79	4.0	1,907
Bear Lake County	2,998	59	2.0	2,938
Benewah County	4,239	158	3.7	4,081
Blackfoot MicSA (Bingham County)	20,781	512	2.5	20,268
Bonner County	20,843	537	2.6	20,306
Boundary County	4,328	216	5.0	4,112
Butte County	1,137	31	2.7	1,106
Caribou County	3,385	91	2.7	3,294
Clark County	495	10	2.0	485
Clearwater County	3,374	165	4.9	3,208
Custer County	2,456	64	2.6	2,392
Mountain Home MicSA (Elmore County)	11,069	344	3.1	10,725
Franklin County	6,184	112	1.8	6,072
Gooding County	8,390	160	1.9	8,230
Moscow MicSA (Latah County)	16,908	323	1.9	16,586
Lemhi County	3,844	125	3.2	3,720
Lincoln County	2,406	69	2.9	2,337
Oneida County	2,263	36	1.6	2,228
Payette County	10,419	300	2.9	10,118
Shoshone County	5,532	241	4.4	5,291
Teton County	4,487	84	1.9	4,403
Valley County	5,159	142	2.8	5,017
Washington County	5,150	139	2.7	5,011
State of Idaho	755,386	17,390	2.3	737,996
Idaho Cities				
Boise	116,108	1,817	1.6	114,290
Caldwell	22,556	469	2.1	22,087
Coeur d'Alene	27,115	439	1.6	26,676
Idaho Falls	16,237	328	2.0	15,909
Lewiston	36,308	729	2.0	35,578
Meridian	29,015	521	1.8	28,494
Nampa	20,923	321	1.5	20,602
Pocatello	29,567	487	1.6	29,080
Twin Falls	17,172	452	2.6	16,720

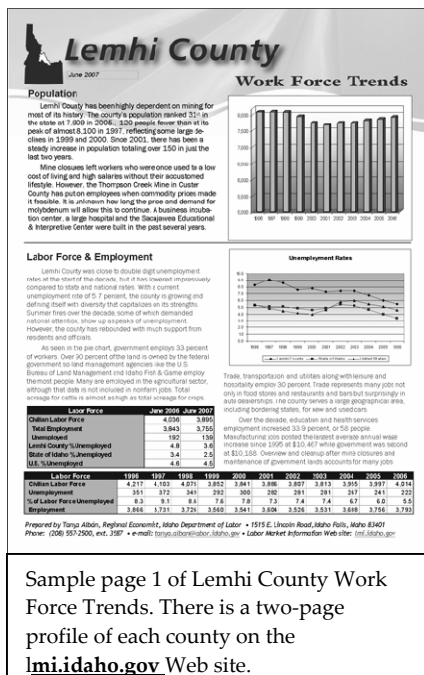
* Coeur d'Alene MSA includes all of Kootenai County.

Labor Market Information Web site lmi.idaho.gov and clicking on County & Community Profiles in the blue drop down boxes on the left side of the home page. Either link goes to the page where the county of interest can be selected.

AREA LMI

The Area LMI page is the source for area labor market information in Idaho. Each page contains economic data to support informed decisions about living and working in any area of the state.

The Area LMI pages have recently been updated. Go to lmi.idaho.gov and select Area LMI at the top of the page. This links to an interactive map of Idaho, where one of six specific areas can be selected. These Web pages provide more detail than the County Workforce Trends. Within the six areas, specific counties or Idaho Labor local offices can be selected. The data is for the current and previous year and includes county and city



population, labor force, major nonfarm job sectors, covered wages by major industry, unemployment insurance statistics, per capita and personal income and starting wages for frequently requested occupations. There are also links to local chambers of commerce, lists of employers, more extensive lists of occupational wages, occupational projections and current happenings. The online link for the Area LMI home page is labor.idaho.gov/lmi/pubs/profilemenu.htm, but the easiest way is through the home page, lmi.idaho.gov, and then click on Area LMI on the upper right of the screen.

LABOR FORCE

Labor force data is provided through the Local Area Unemployment Statistics program. This federal-state cooperative venture provides monthly estimates of labor force statistics — the number of persons employed, the number unemployed and the unemployment rate — for the entire state, individual counties, designated labor market areas and selected cities. Labor force data includes individuals who are either working or actively seeking work during any part of the week that includes the 12th of the month. It is a count of persons by where they live, not a count of jobs.

Labor force data for 2000 through May 2007 is available at lmi.idaho.gov by clicking on the unemployment or employment blue drop down boxes on the left side of the screen and selecting Labor Force. This Web page has the latest labor force data and the final and benchmarked figures by month or annual average for the state, counties, labor market areas and cities. The most recent information is posted the first Friday of each month when the unemployment rate is released.

WAGE POSTERS

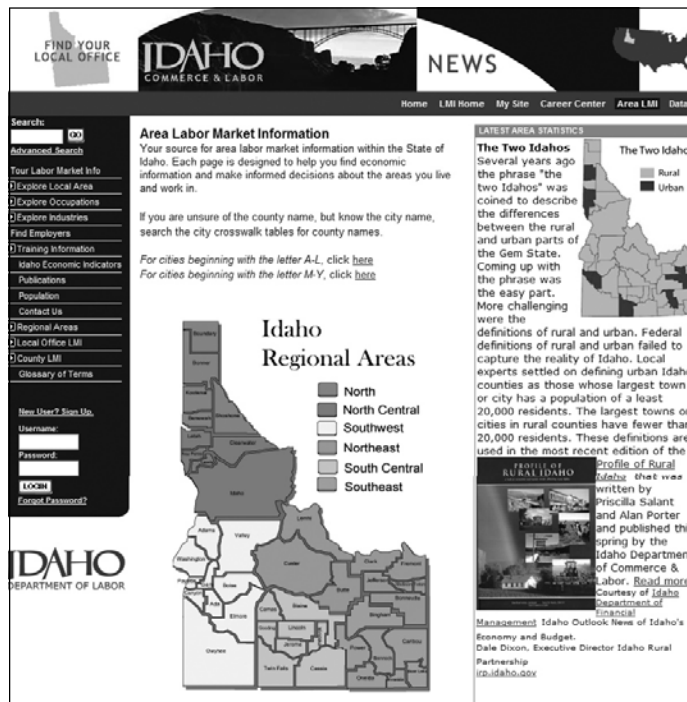
With the increase in the minimum wage, Idaho employers will need new wage posters. These are available at labor.idaho.gov. Look under Top Picks to find the link to Labor Law Posters in both English and Spanish. The direct link to the English versions is labor.idaho.gov/ftp/requiredposters.pdf. If you have any questions, please e-mail lmi@labor.idaho.gov.

CITY POPULATION - 2006

Idaho's strong population growth is transforming many Idaho communities while others are struggling to maintain their populations. Between 2005 and 2006, Idaho's population grew 2.6 percent from 1,429,367 to 1,466,465, making it the third fastest growing state. Still the U.S. Census Bureau recently released population estimates showing that only 102 of Idaho's 200 cities gained population during that period.

Between 2005 and 2006, population in 14 other cities held steady while 84 lost residents. Most of the cities reporting declines lost fewer than 20 residents.

Three cities — Soda Springs, Garden City and Boise — lost more than 50 residents. Downsizing of a few major



Labor market information for each of Idaho's six work force regions are available on the Web at lmi.idaho.gov under the top menu item "Area LMI."

State Table 4: Population of Idaho's 12 Largest Cities					
Rank	2006 Population		2000 Population		
1	Boise	198,638	Boise	195,421	
2	Nampa	76,587	Nampa	54,599	
3	Meridian	59,832	Pocatello	51,602	
4	Pocatello	53,932	Idaho Falls	50,984	
5	Idaho Falls	52,786	Meridian	36,436	
6	Coeur d'Alene	41,328	Coeur d'Alene	35,000	
7	Twin Falls	40,380	Twin Falls	34,884	
8	Caldwell	37,056	Lewiston	30,861	
9	Lewiston	31,293	Caldwell	27,317	
10	Rexburg	26,657	Moscow	21,324	
11	Post Falls	24,515	Post Falls	18,031	
12	Moscow	22,352	Rexburg	17,673	

employers in Soda Springs in southeastern Idaho forced some residents to move elsewhere for work. Population fell 1.9 percent from 3,239 to 3,177. After years of strong growth, Garden City, Boise's oldest suburb, and Boise lost a few residents because commercial and industrial facilities were constructed in what had been residential areas and because low-income residents are moving to less expensive towns in the metropolitan area. Garden City's population decreased 0.7 percent from 11,436 to 11,353 while Boise's population decreased 0.3 percent from 199,285 to 198,638.

Idaho's three fastest-growing cities were Boise suburbs — Star at 44.2 percent from 2,770 in 2005 to 3,995 in 2006, Meridian at 14.2 percent from 52,384 to 59,832 and Kuna at 13.2 percent from 10,168 to 11,510. The Boise Metropolitan Statistical Area's job creation is responsible for most of that population growth. Other fast-growing communities in the metropolitan area include Middleton at 8.5 percent, Caldwell at 7.1 percent, Eagle at 6.1 percent and Nampa at 5.4 percent.

These are estimates based in part on the number of new housing permits issued by the city through December 2005. They assumed those homes will be built and occupied by July 2006.

Idaho's fourth fastest-growing city, Ammon, is a suburb of Idaho Falls. Ammon grew 10.9 percent from 10,876 to 12,065. Another town close to Idaho Falls, Ucon, grew 5.2 percent from 1,013 to 1,066. Each benefited from continued job growth in the Idaho Falls area.

Spectacular views and proximity to national forests, Grand Targhee Ski Resort and Jackson Hole, Wyo., have drawn many new residents to Victor and Driggs in mountainous Teton County. Victor grew 5.4 percent from 1,379 to 1,454 while Driggs increased 4.2 percent from 1,202 to 1,253. People are moving to the greater Twin Falls area to take jobs. The area has enjoyed great success in recent years in recruiting businesses like Dell Computer, Hilex-Poley and Jayco. Twin Falls grew 4.1 percent from 38,774 to 40,380 while Filer grew 5.7 percent from 1,779 to 1,880.

Development of the Tamarack resort in central Idaho has attracted thousands of new residents to Valley County in the last three years. Between 2005 and 2006, McCall's population grew 6.6 percent from 2,408 to 2,567.

With beautiful scenery, incredible recreational opportunities and an expanding job market, Kootenai County in the Idaho Panhandle continues to attract many new residents. The region's fastest-growing cities include Rathdrum with a 9.7 percent population increase from 5,749 to 6,308, Spirit Lake with 7.1 percent growth from 1,513 to 1,621 and Post Falls, which grew 5.1 percent from 23,325 to 24,515.

IDAHO'S LARGEST CITIES

About 68 percent of Idahoans live in one of the state's 200 incorporated cities. About 45.4 percent of Idahoans live in one of the state's 12 largest cities, which are included in State Table 4.

POPULATION OF IDAHO'S INCORPORATED CITIES

An alphabetical listing of city populations can be found online at lmi.idaho.gov by clicking on Population on the left side of the page. That link goes to the population home page where city population in alphabetical order or city populations by county can be downloaded in an Excel or PDF format.

Janell Hyer, Regional Economist Supervisor
317 W. Main St., Boise, ID 83735
(208) 332-3570, ext. 3220
E-mail: janell.hyer@labor.idaho.gov

State Table 2: Nonfarm Payroll Jobs

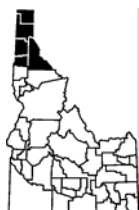
BY PLACE OF WORK	May 2007*	Apr 2007	May 2006	Last Month	Last Year
Nonfarm Payroll Jobs**	656,100	649,100	640,500	1.1	2.4
GOODS-PRODUCING INDUSTRIES	122,200	119,900	122,600	1.9	-0.3
Natural Resources & Mining	4,200	3,700	4,000	13.5	5.0
Logging	1,500	1,200	1,500	25.0	0.0
Mining	2,700	2,500	2,500	8.0	8.0
Metal Ore Mining	900	800	800	12.5	12.5
Construction	52,600	50,600	53,100	4.0	-0.9
Manufacturing	65,400	65,600	65,500	-0.3	-0.2
Durable Goods	43,300	43,400	42,700	-0.2	1.4
Wood Product Manufacturing	8,200	8,200	8,200	0.0	0.0
Sawmills & Wood Preservation	2,600	2,600	2,600	0.0	0.0
Veneer & Engineered Products	1,600	1,600	1,700	0.0	-5.9
Other Wood Product Manufacturing	4,000	4,000	3,900	0.0	2.6
Fabricated Metal Product Manufacturing	4,600	4,600	4,300	0.0	7.0
Machinery Manufacturing	2,900	2,900	2,900	0.0	0.0
Computer & Electronic Product Manufacturing	16,900	17,000	16,500	-0.6	2.4
Transportation Equipment Manufacturing	3,700	3,600	3,200	2.8	15.6
Other Durable Goods	7,000	7,100	7,600	-1.4	-7.9
Nondurable Goods	22,100	22,200	22,800	-0.5	-3.1
Food Manufacturing	13,800	13,800	14,300	0.0	-3.5
Fruits & Vegetable Preserving & Specialty	6,700	6,700	7,200	0.0	-6.9
Paper Manufacturing	1,600	1,600	1,600	0.0	0.0
Printing & Related Support Activities	1,900	1,900	1,900	0.0	0.0
Chemical Manufacturing	2,100	2,100	2,100	0.0	0.0
Other Nondurable Goods	2,700	2,800	2,900	-3.6	-6.9
SERVICE-PROVIDING INDUSTRIES	533,900	529,200	517,900	0.9	3.1
Trade, Transportation, & Utilities	132,300	131,000	126,600	1.0	4.5
Trade	112,300	111,000	106,700	1.2	5.2
Wholesale Trade	27,800	27,800	27,000	0.0	3.0
Wholesalers, Durable Goods	13,000	12,900	12,500	0.8	4.0
Wholesalers, Nondurable Goods	12,000	12,000	11,700	0.0	2.6
Retail Trade	84,500	83,200	79,700	1.6	6.0
Motor Vehicle and Parts Dealers	12,500	12,400	11,900	0.8	5.0
Building Material and Garden Equipment	10,500	10,200	10,400	2.9	1.0
Food & Beverage Stores	12,800	12,600	12,400	1.6	3.2
General Merchandise Stores	18,000	17,700	15,600	1.7	15.4
Transportation, Warehousing, & Utilities	20,000	20,000	19,900	0.0	0.5
Utilities	2,100	2,100	2,000	0.0	5.0
Transportation & Warehousing	17,900	17,900	17,900	0.0	0.0
Rail Transportation	1,300	1,300	1,300	0.0	0.0
Truck Transportation	9,400	9,300	9,000	1.1	4.4
Information	10,800	10,700	10,600	0.9	1.9
Telecommunications	3,900	3,800	3,800	2.6	2.6
Financial Activities	32,800	32,600	31,600	0.6	3.8
Finance & Insurance	23,700	23,600	23,000	0.4	3.0
Real Estate & Rental & Leasing	9,100	9,000	8,600	1.1	5.8
Professional & Business Services	84,600	83,200	82,600	1.7	2.4
Professional, Scientific, & Technical	33,500	34,000	32,500	-1.5	3.1
Scientific Research & Development	7,700	7,700	7,500	0.0	2.7
Management of Companies & Enterprises	7,700	7,600	7,700	1.3	0.0
Administrative & Support & Waste Management	43,400	41,600	42,400	4.3	2.4
Administrative & Support Services	42,000	40,200	41,100	4.5	2.2
Educational & Health Services	72,200	72,600	68,900	-0.6	4.8
Educational Services	6,900	8,000	7,300	-13.8	-5.5
Health Care & Social Assistance	65,300	64,600	61,600	1.1	6.0
Hospitals	16,100	16,000	13,500	0.6	19.3
Leisure & Hospitality	62,300	60,900	59,600	2.3	4.5
Arts, Entertainment, & Recreation	8,700	8,300	8,400	4.8	3.6
Accommodation & Food Services	53,600	52,600	51,200	1.9	4.7
Accommodation	8,700	8,600	8,100	1.2	7.4
Food Services & Drinking Places	44,900	44,000	43,100	2.0	4.2
Other Services	19,000	19,000	19,000	0.0	0.0
Total Government	119,900	119,200	119,000	0.6	0.8
Federal Government	12,300	11,900	12,500	3.4	-1.6
State & Local Government	107,600	107,300	106,500	0.3	1.0
State Government	29,900	30,200	29,700	-1.0	0.7
State Government Education	14,200	14,500	14,200	-2.1	0.0
State Government Administration	15,700	15,700	15,500	0.0	1.3
Local Government	77,700	77,100	76,800	0.8	1.2
Local Government Education	41,800	41,500	40,600	0.7	3.0
Local Government Administration	32,600	32,300	33,000	0.9	-1.2
Local Government Tribes	3,300	3,300	3,200	0.0	3.1

*Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 3: Economic Indicators

	May 2007	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	755,400	754,800	748,000	0.1	1.0
Unemployment	17,400	21,300	26,000	-18.3	-33.1
Percent of Labor Force Unemployed	2.3	2.8	3.5		
Total Employment	738,000	733,500	722,000	0.6	2.2
<i>Unadjusted</i>					
Civilian Labor Force	753,900	750,100	747,400	0.5	0.9
Unemployment	13,500	23,300	22,600	-42.1	-40.3
Percent of Labor Force Unemployed	1.8	3.1	3.0		
Total Employment	740,400	726,800	724,800	1.9	2.2
U. S. UNEMPLOYMENT RATE ⁽²⁾	4.5	4.5	4.6		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	203.7	202.1	198.2	0.8	2.8
All Urban Consumer (CPI-U)	207.9	206.7	202.5	0.6	2.7
AGRICULTURE					
Agriculture Employment	45,540	42,740	45,990	6.6	-1.0
Operators	9,740	9,740	9,740	0.0	0.0
Unpaid Family	360	350	360	2.9	0.0
Hired Workers	35,440	32,650	35,890	8.5	-1.3
UNEMPLOYMENT INSURANCE					
<i>Claims Activities</i>					
Initial Claims ⁽³⁾	5,130	6,601	5,028	-22.3	2.0
Weeks Claimed ⁽⁴⁾	37,558	57,434	42,745	-34.6	-12.1
<i>Benefit Payment Activities⁽⁵⁾</i>					
Weeks Compensated	37,569	41,744	34,271	-10.0	9.6
Total Benefit \$ Paid	\$9,100,383	\$10,268,507	\$7,840,165	-11.4	16.1
Average Weekly Benefit Amount	\$242.23	\$245.99	\$228.77	-1.5	5.9
Covered Employers	50,722	50,281	48,156	0.9	5.3
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$113,416,591	\$112,378,746	\$119,746,448	0.9	-5.3
(1) Preliminary Estimate					
(2) Source: U.S. Bureau of Labor Statistics					
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims					
(4) Includes all entitlements/programs, Intrastate and Interstate Agent					
(5) Includes all entitlements/programs, Total Liable Activities					



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

EMPLOYMENT NEWS

Halfway through 2007 it looks like it's another good year for the Idaho Panhandle.

Tourism will likely shatter last year's record for visitors after the best winter season ever and prospects for the same level of activity this summer. Boosting tourism are Silverwood Theme Park's doubling of its water park, continued expansion at the Coeur d'Alene and Kootenai Tribes' casinos and the current exchange rate of 94 percent that gives Canadians the most purchasing power their dollar has had in Idaho in 30 years. In addition, the Sandpoint and Coeur d'Alene areas, the Selkirk International Loop and the two major rails-to-trails corridors — the Route of the Hiawatha and the Trail of the Coeur d'Alenes — have received the highest amount of national attention ever.

Almost every industry is set to grow or at least hold its own this year. Construction employment is slightly above its record-shattering 2006 level as residential construction charges forward in most of the region, and large commercial and industrial projects are under way especially in Kootenai County. With metal prices strong, high-paying mining jobs are returning to the Silver Valley at the Galena and Lucky Friday mines, the Sunshine Mine which is expected to reopen this winter, in new exploration and in Coeur d'Alene at mining corporate headquarters. Growth in manufacturing has eased after a period of spectacular expansion, especially in the Sandpoint area. But the region is expecting new hiring for the plants Berg Integrated System and Biopol are building in Post Falls. Call center expansion has abated. Only the U.S. Bank credit card customer service operation in Coeur d'Alene is adding workers, about 20 a month. Some real estate, title insurance and mortgage lending jobs are being lost as home sales soften, but banks continue to add branches, and other financial services are expanding to meet demand of the growing population. Local and state government employment is edging up at

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	May 2007*	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	71,130	70,520	70,210	0.9	1.3
Unemployed	1,830	2,210	2,640	-17.2	-30.7
% of Labor Force Unemployed	2.6	3.1	3.8		
Total Employment	69,300	68,310	67,570	1.4	2.6
<i>Unadjusted</i>					
Civilian Labor Force	70,790	69,540	69,940	1.8	1.2
Unemployed	1,370	2,450	2,210	-44.1	-38.0
% of Labor Force Unemployed	1.9	3.5	3.2		
Total Employment	69,420	67,090	67,730	3.5	2.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	57,440	56,070	55,670	2.4	3.2
Goods-Producing Industries	11,470	11,040	11,140	3.9	3.0
Natural Resources & Mining	500	410	440	22.0	13.6
Construction	6,170	5,880	6,030	4.9	2.3
Manufacturing	4,800	4,750	4,670	1.1	2.8
Wood Product Manufacturing	950	930	1,010	2.2	-5.9
Other Manufacturing	3,850	3,820	3,660	0.8	5.2
Service-Providing Industries	45,970	45,040	44,530	2.1	3.2
Trade, Transportation, & Utilities	10,880	10,840	10,150	0.4	7.2
Wholesale Trade	1,580	1,570	1,470	0.6	7.5
Retail Trade	8,180	8,140	7,600	0.5	7.6
Transportation, Warehousing & Utilities	1,120	1,130	1,080	-0.9	3.7
Information	930	930	1,000	0.0	-7.0
Financial Activities	3,130	3,080	2,960	1.6	5.7
Professional & Business Services	6,320	6,300	6,150	0.3	2.8
Educational & Health Services	5,500	5,480	5,360	0.4	2.6
Leisure & Hospitality	7,890	7,270	7,690	8.5	2.6
Other Services	1,470	1,460	1,500	0.7	-2.0
Government Education	3,750	3,810	3,750	-1.6	0.0
Government Administration	5,280	5,080	5,210	3.9	1.3
Government Tribes	820	790	760	3.8	7.9

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

about the same rate as the population. Transportation is still growing, although more slowly than during the last couple of years, as the region exports more manufactured goods and brings in more goods to supply local wholesalers and retailers. As the population over 65 quickly increases, health care and assisted living services jobs continue to grow twice as fast as other jobs.

For the last 15 months, the darkest cloud on the horizon has been the downturn in U.S. residential construction and its potential effects on the Panhandle's lumber industry. During the last couple of years, U.S. housing starts have dropped from a near-record high of 2.1 million in 2005 to a seasonally adjusted rate of 1.5 million in May. Not surprisingly, this has

reduced the demand for lumber and other wood products, depressing lumber prices and reducing wood products employment. Lumber prices fell from \$400-plus per 1,000 board feet in mid-2005 to less than \$300 by September 2006. Since 2005, wood products manufacturing employment in the Panhandle has fallen from 2,900 jobs to 2,600 jobs. About half of the workers affected were permanently laid off while the rest of the contraction was achieved through attrition as workers retired or left for other jobs and were not replaced. In addition, several mills have shut down for a couple of weeks at a time, putting stress on mill workers and their communities.

Perhaps the most extreme pressures are over. In the last half of June, the price of lumber rose above \$300 for the first time since September. The Random Lengths composite price for framing lumber rose to \$311 in the last week of June. Although that is still a relatively low price, mills are glad to see the price moving in the right direction again. Every dollar increase is a dollar closer to profitability for them.

AREA DEVELOPMENTS

BONNER COUNTY

- Dennis Pence, chief executive and chairman of Coldwater Creek, probably has affected Bonner County's economy more than any other individual. He founded its largest private employer, national retailer Coldwater Creek, which employs about 600 people at its headquarters in Ponderay and its store in Sandpoint. He played the key role in creating the Bonner County Economic Development Corp., a nonprofit organization which helps existing businesses grow and recruits new businesses to the community. Now, through his nonprofit Wild Rose Foundation, he has spearheaded a drive that could lead to the University of Idaho establishing a campus in Sandpoint in the next couple of years.

A proposal to open a University of Idaho campus in Sandpoint using private money needs only the approval of the state Board of Education, and board members expressed support when they heard the initial proposal in February. The board will consider the final proposal at its August meeting. If all goes smoothly, the new campus could begin offering classes in fall 2009.

The nonprofit Wild Rose Foundation will buy a 77-acre site from the university for \$6.25 million, construct the buildings and help pay for course offerings. The foundation's estimated contribution is around \$30 million.

If the proposal is approved, university extension and research programs now located on that tract will move to a nearby 15-acre parcel provided by the foundation.

The University of Idaho campus also will provide space where North Idaho College and possibly Lewis-Clark State College and Idaho State University can offer technical, medical and other classes.

A portion of the 77-acre property would be given to the Lake Pend Oreille School District for a new high school but would revert to the university if construction does not start within 20 years. Proximity to the campus would allow high school students to easily participate in dual enrollment and technical education programs.

The campus initially will include an administrative building with classroom space, a performing arts building, a student union and an agriculture and biological sciences building. Eventually more classrooms and some dormitories would be added.

- Another Sandpoint innovator also has made the world a better place. Local inventor, Dr. Forrest Bird, was recently interviewed by 60 Minutes correspondent Morley Safer for a segment on his invention of the first reliable mechanical ventilator in 1955. Over the years, he developed improved ventilators including the Baby-Bird, the first ventilator used in neonatal units. The interview will air in September. The segment also will feature stories about some of the thousands of lives saved by his inventions. Safer reportedly was impressed by the high energy of the 85-year-old, who is as well known in aviation circles as in medical circles. As past president of the Civil Aviation Medical Association, Bird is an active FAA-certified flight instructor and an aeronautical engineer. The long-time resident of Sandpoint owns Percussionaire, a Sandpoint manufacturing operation making respirators and employing about 35 people.

Bird and his wife, Pamela, opened a museum on their ranch south of Sandpoint July 7. The Bird Aviation Museum and Invention Center features aviators, astronauts and inventors — several of whom attended the opening. In addition to exhibits about inventors and aviators, the museum also shows 21 vintage aircraft and several vintage automobiles from the Birds' collection. With a state-of-the-art kitchen and table seating for up to 250, the museum also will be available for conferences, weddings and other special occasions. The 16,000-square-foot museum also has a gift shop. To learn more about the museum and aviators and innovators who have changed the world, go to www.birdaviationmuseum.com.

- Susan and Harold Smith, who once owned Sandpoint's famous Christmas store and the Hawn-Smith shop that manufactured glass hummingbirds in Ponderay, recently opened a new business near the federal building in Sandpoint. Hawn-Smith Laser puts laser engravings of logos, pictures and personal artwork on t-shirts, signs, awards and gifts.

- “Into the Garden Up to the Lake” is the name of one of Oldtown’s newest businesses. Opened in May by Elaine Peterson, it complements her family’s business, Riversong Landscape Materials. The new business offers creative furniture, art work and collectibles for yards and gardens. Oldtown is near the Idaho-Washington border.

BOUNDARY COUNTY

- Welco of Idaho, which makes Western red cedar boards for fences, announced in mid-June that it was shutting down for two weeks, and that when it re-opened July 9 it would switch from two 40-hour shifts to one 50-hour shift, eliminating 24 of the mill’s 83 jobs. A year ago, before U.S. housing starts had fallen so sharply, the mill employed more than 100.

Time will tell whether those job losses reflect just a low point in the current housing cycle or are part of the long-term decline of the timber industry. The county’s other large mill, the Riley Creek lumber mill in Moyie Springs, permanently laid off 65 people last summer in response to plummeting lumber prices. In 2003, Louisiana-Pacific closed its Bonners Ferry mill that employed about 130 people. The net result is that mill jobs in Boundary County have been cut in half since 2002. Today, mills employ about 200 people. Despite the difficulties of losing high-paying jobs in its traditional mainstay industry, the county’s economy continues to grow and diversify.
- The transition from traditional mill jobs to more diverse occupations is prompting many Boundary County residents to go back to school. Just one year after North Idaho College opened its Bonners Ferry outreach campus in a two-room facility, it announced plans to add three more classrooms, upgrade to a high-speed, broadband network and install at least 16 new computers in a remodeled computer laboratory. The additions should be ready before classes start in late August. The improved networking capabilities will allow the college to include a new interactive video conferencing room with access to its Coeur d’Alene, Post Falls and Ponderay campuses. It will also allow Bonners Ferry High School students to dual enroll in college classes that earn them both high school and college credits.
- Gene and Ruth Perry have transformed a brick schoolhouse built in 1912 into Northside Bed ‘N Breakfast. The schoolhouse that overlooks much of Bonners Ferry is on the National Register of Historic Places and it offers a cozy, elegant atmosphere.
- The Selkirk International Loop has shifted its promotional effort from the new \$1 million visitor center that just opened in Bonners Ferry to the city hall so it can provide more space for visitors. The city is leasing the space to the organization to promote the 280-mile

scenic route that circles from the Priest River and Sandpoint areas into Bonners Ferry up to southern British Columbia and then south through northeastern Washington back to Priest River. Several travel writers recently toured the loop, and over the next few months articles about the loop will appear in travel magazines with an estimated readership of 1.5 million.

KOOTENAI COUNTY

- The Coeur d’Alene Casino near Worley is hiring 80 new workers. About 50 will be assigned as dealers for new video versions of blackjack and poker. The other 20 will help various departments keep up with growth. Once the hiring is completed, the casino and its hotel and golf course will employ about 950 people. The Coeur d’Alene Tribe started the casino 14 years ago as a bingo hall employing about 80 people. In addition to its Worley employees, the tribe employs another 500 people at its corporate headquarters, farm, retail and manufacturing businesses, medical clinic and wellness center and school in Benewah County. The tribe brings employees from the Coeur d’Alene-Post Falls area and the Spokane area by buses. To compete in a tight labor market influenced by Washington State’s minimum wage of \$7.93 per hour, the tribe recently raised entry-level wages at the casino from \$6.50 an hour to \$8.50 an hour.
- Gov. C.L. “Butch” Otter and many Kootenai County residents cheered Biopol Laboratory in late June when it broke ground on a 68,000-square-foot plant at Riverbend Commerce Park in Post Falls. Biopol is the world’s main supplier of plant pollens, molds and other allergens for allergy shots and tablets. Established in Spokane in 1976, Biopol grows many plant species on its own 600-acre farm in Plummer. Four years ago, Biopol was purchased by the biotech firm Vespa, which is owned by the Danish company ALK-Abello. The new \$30 million facility, which should be operating by 2009, will allow Biopol to consolidate staff currently working in five different buildings in Spokane and to expand from 29 to 50 workers. Six workers are involved with research and development of new products. Jobs Plus, the economic development organization that has attracted so many businesses to Kootenai County, hopes that more biotech firms will follow Biopol’s example.
- Under a five-year agreement with the group that sponsors Ironman triathlons, Coeur d’Alene has hosted an Ironman competition every June since 2003. According to the Coeur d’Alene Chamber of Commerce, that competition attracts 2,200 athletes, their trainers, friends and families and thousands of spectators for several days each year. The chamber estimates that about \$7 million is spent directly by those athletes and spectators. During Ironman, hotels throughout Kootenai County flash “no vacancy” signs. June is by far the slowest month of summer, and many hotels

are thrilled to fill up at that time. Given the benefits to the community, the city was delighted when another five-year agreement was signed, guaranteeing Coeur d'Alene will host the next five June triathlons.

- Daisy J's recently opened in a 2,700-square-foot space, formerly occupied by The Zoo in the shopping plaza next to the Coeur d'Alene Resort. The new shop sells furniture, home décor, candles, bath and body lotions, and wine and gift items.
- Hippie Kat, a store offering trendy and retro women's clothing and accessories, opened in June in downtown Coeur d'Alene.
- Two delis recently opened in Kootenai County. Wheat Montana, a 2,200-square-foot restaurant with a deli counter and bakery, employs about 15 people in Coeur d'Alene. Big Bear Deli, a new restaurant in Post Falls, serves soup, salads and sandwiches.
- AMS Character Warehouse recently began selling overstocked merchandise including jewelry, toys, clothing and collectibles featuring Mickey Mouse and other Disney characters from the Disney Resorts at reduced prices in the North Idaho Outlets in Post Falls. The warehouse, which travels from city to city, will only be open there until Aug. 12.
- Meineke Car Center, a franchise muffler and service shop, opened in June at the new Treaty Rock Center in Post Falls. It employs three mechanics.

SHOSHONE COUNTY

- Native American Services Corp. of Smelterville was recently awarded a \$40 million to \$100 million contract with Fort Gordon Army Base in Georgia as the general contractor providing management, engineering, emergency response, environmental remediation, facility maintenance and design-build services for large-scale federal and commercial projects. Founded in 2002 by Silver Valley residents Rusty Sheppard and Matthew James, Native American Services is a 51 percent Native American-owned and HUB zone-certified. It has performed Superfund cleanup in the Silver Valley, worked on fencing, signage and other incidentals on the Trail of the Coeur d'Alenes and currently is building condominiums in Kellogg. Its work for the U.S. Department of Homeland Security includes building the border patrol headquarters in Blaine, Wash., and the Federal Law Enforcement Training Center in Glynco, Ga. Its clients include the U.S. Navy, Marine Corps, Air Force, Bureau of Indian Affairs, Bureau of Land Management, Defense Intelligence Agency, General Services Administration, Department of Treasury, National Park Service and the state of Idaho. The company employs nearly 90 people at six offices nationwide. About a dozen people work at its headquarters in Smelterville. In 2006, the U.S. Small Business Administration named it Idaho's Minority Business of the Year.

- Silver Mountain Resort in Kellogg has considerable experience selling condominiums near the base of the gondola that takes people to its ski resort. In June, it began selling condominiums along the 18-hole championship golf course it plans to develop near the gondola base. Almost all of the 49 Galena Ridge golf community condo units were sold on June 23, the first day they were offered. "The demand for value-priced golf community home sites proved to be very strong. Compared to the real estate market throughout the rest of the country, the Silver Valley remains very appealing for people looking for second homes at a great value in a resort setting," said Silver Mountain Director of Sales and Marketing Stephen Lane. The Galena Ridge golf community could eventually grow to 900 residential units.
- Zanetti Bros. Inc., one of Shoshone County's largest manufacturers, is preparing to open its new pre-mix concrete plant to replace its current 54-year-old plant. Zanetti Bros., located in Osburn, employs about 35 people. With so much construction activity going on, the time seemed right for a state-of-the-art plant. The new plant should be up and running this autumn.
- To get the Zanetti crew and other Osburn residents hopping in the morning, Mike and Julean Capparelli recently opened Capparelli's Espresso. As well as serving organic, fair-trade Doma coffee, the coffee shop sells milkshakes, smoothies, hot dogs, muffins and other baked goods.
- Downtown Wallace, known for its charming brick buildings and interesting shops, recently welcomed a new addition to its line-up. "Harpers: A Contemporary Art Gallery" is the dream child of owner Ron Harpers. It features glass work, ceramics, mixed-media pieces, copper artwork, furniture, photographs and other creations by Northwest artists.
- TESH Inc., a nonprofit organization which has served developmentally disabled individuals in the Silver Valley for 30 years, closed the doors of its Kellogg office on June 15. Its Coeur d'Alene office will help Silver Valley residents with a few services, but most people are wondering who is going to provide the employment training, daily living skills instruction and adult activities that TESH provided. Also gone are the jobs provided by the thrift store in TESH's Kellogg office. TESH says stagnant Medicaid funding and failed attempts to keep the Kellogg operation afloat led to the closure.

Kathryn Tacke, Regional Economist
1221 W. Ironwood Drive, Coeur d'Alene, ID 83814
(208) 769-1558 ext. 3984
E-mail: kathryn.tacke@labor.idaho.gov



North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate in May decreased to 3.2 percent from April's 3.8 percent as shown in North Central Idaho Table 1. In May 2006 the rate was 4.5 percent. Nonfarm payroll jobs in May increased by 350 from April. The increase reflected job gains in government, mostly for road and park maintenance and construction.

COVERED EMPLOYERS

About 92 percent of employers in Idaho are subject to the state unemployment insurance law and are known as covered employers. Since 2001, the number of employers has increased in north central Idaho as shown in North Central Idaho Table 2. In 2006, new employers throughout the region were small with fewer than five employees. By county, over the last five years, Latah attracted the most new employers, concentrated in the construction, accommodations and food service sectors. In the rest of the region, Idaho County's new employers could be found in the manufacturing, wholesale trade and real estate sectors. Lewis County attracted new employers in construction while Clearwater County's new employers were concentrated in trade and the hospitality and leisure sectors. Nez Perce County's new employers emerged in construction, finance, insurance and technical assistance.

AREA DEVELOPMENTS

IDAHO & LEWIS COUNTIES

- Idaho County will receive more than \$900,000 this year from the federal government to compensate for forgone tax revenue. Under the federal Payments in Lieu of Taxes program, funds are distributed to about 1,850 local governments whose jurisdictions contain tax-exempt federal lands. For fiscal year 2007, Idaho County received \$907,143. The U.S. Interior De-

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment Nez Perce County, Idaho and Asotin County, Washington

	May 2007*	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	30,170	30,310	29,340	-0.5	2.8
Unemployment	980	1,140	1,330	-14.0	-26.3
% of Labor Force Unemployed	3.2	3.8	4.5		
Total Employment	29,190	29,170	28,010	0.1	4.2
<i>Unadjusted</i>					
Civilian Labor Force	30,080	30,360	29,240	-0.9	2.9
Unemployment	780	1,170	1,120	-33.3	-30.4
% of Labor Force Unemployed	2.6	3.9	3.8		
Total Employment	29,300	29,190	28,120	0.4	4.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	28,130	27,780	27,710	1.3	1.5
<i>Goods-Producing Industries</i>	4,850	4,720	4,740	2.8	2.3
Natural Resources & Mining	210	170	200	23.5	5.0
Construction	1,580	1,500	1,450	5.3	9.0
Manufacturing	3,060	3,050	3,090	0.3	-1.0
Wood Product Manufacturing	540	530	550	1.9	-1.8
Paper Manufacturing	1,090	1,090	1,110	0.0	-1.8
Other Manufacturing	1,430	1,430	1,430	0.0	0.0
<i>Service-Providing Industries</i>	23,280	23,060	22,970	1.0	1.3
Trade, Transportation & Utilities	5,460	5,400	5,420	1.1	0.7
Wholesale Trade	670	680	640	-1.5	4.7
Retail Trade	3,550	3,500	3,560	1.4	-0.3
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,150	1,130	1,130	1.8	1.8
Information	420	420	410	0.0	2.4
Financial Activities	2,050	2,020	1,980	1.5	3.5
Professional & Business Services	1,630	1,610	1,610	1.2	1.2
Education & Health Services	4,500	4,540	4,430	-0.9	1.6
Leisure & Hospitality	2,560	2,550	2,610	0.4	-1.9
Other Services	1,160	1,160	1,140	0.0	1.8
Government Education	2,600	2,620	2,570	-0.8	1.2
Government Administration	2,150	2,000	2,090	7.5	2.9
Government Tribes	750	740	710	1.4	5.6

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

North Central Idaho Table 2: Number of Covered Employers by County & Year

County/Area	2001	2002	2003	2004	2005	2006	Change from 2001-2006
CLEARWATER	345	339	343	338	343	339	-6
IDAHO	569	567	576	578	588	618	49
LATAH	976	951	982	1,007	1,028	1,072	96
LEWIS	175	175	174	174	183	190	15
NEZ PERCE	1,310	1,298	1,286	1,292	1,318	1,321	12
North Central	3,374	3,329	3,361	3,389	3,460	3,540	166

partment collects about \$4 billion annually in revenues from commercial activities on federal lands, such as oil and gas leasing, livestock grazing and timber harvesting. A portion of these revenues go to counties as reimbursement for government services related to public safety, housing, social services, transportation and the environment. The annual payments are based on population and the number of acres of federal land in each county or jurisdiction.

- Potlatch Number One Federal Credit Union based in Lewiston has opened a branch office in Grangeville with three full-time employees.

LATAH COUNTY

- Rainstorms in June were considered "million-dollar rains" by farmers because of the moisture they provided at just the right time. Washington State University Extension agronomist John Burns said that after experiencing increasingly hot weather in late May and early June and dry weather since then, crops were drying out. He said the rains in late June were particularly important to winter wheat. In June, the heads of winter wheat plants are filling out with kernels, and adequate moisture is critical for a good yield. Rainfall for the area has been low this year. From March 1 to June 8, the Palouse region received only 3.74 inches of moisture, said Ron Miller, a meteorologist at the National Weather Service in Spokane. Over the last 30 years the region has averaged 5.44 inches during the same period.
- The U.S. Department of Agriculture announced in June that expected winter wheat harvest for Idaho farmers is 740,000 acres with an expected yield of 81 bushels per acre. Last year, the harvest was 710,000 acres at 77 bushels per acre. Joe Anderson, Idaho Wheat Commission District 1 commissioner in Potlatch, said winter wheat prices increased from \$3.21 per bushel in 2005 to \$4.35 in 2006. The current national average price for June was \$6.31-\$6.33, according to the Portland Daily Grain Report. Joseph R. Anderson, a Genesee-area farmer and Latah County director for the Idaho Grain Producers, said the large wheat acreage also resulted from normal crop rotation. "If you plant more wheat, that means there might be less of another crop," he said. If the harvest comes out as good as forecasted, the farmers' high production could mean increased sales for other businesses. "If we have more bushels to sell, it'll be good for the local economy," Joseph Anderson said. "That's good for the local auto dealers and machinery dealers, even household goods." He said most farmers have lists of needs and wants, and when production and prices are high, they start buying things off the wants list.
- Summer operations at the University of Idaho are pivotal to recruitment, retention and revenue. Summer programs such as Life on Wheels RV conference and the Olympic Development Program for girls' soccer are bringing in more than \$1.2 million. Coordinator Doug

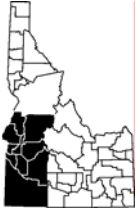
Vandenboom works year round to organize the 30 to 40 different groups that come in during the summer. Vandenboom isn't surprised people sometimes miss the large groups that come through. A lot of the activities are isolated to campus. "There's a misconception that the residence halls are empty in the summer when students are gone, but we actually see about 5,000 youth in the summer," he said. The colleges and departments draw in students with specialized programs for science and engineering, journalism and theatre. The athletic department camps draw athletes for basketball, football and volleyball. Still more students come to participate with the Future Farmers of America, Upward Bound and 4-H.

NEZ PERCE COUNTY

- Construction on Nez Perce County's new jail in north Lewiston has started and is expected to take about 18 months. The entire project, including architects, a turn bay and an access road built to city standards is expected to cost as much as \$21 million, including contingency funds for unanticipated changes. The construction bid on the 156-bed jail was \$16.34 million by Swank Enterprises of Kalispell, Mont. That doesn't include purchase of the 10-acre parcel from the Port of Lewiston, outfitting a \$400,000 kitchen and various architectural, financial and consulting fees.
- ATK's Lewiston plant is so busy that employees at all levels are subject to mandatory overtime while those in management are devoting extra time to expanding the plant's capacity and other initiatives, says Marty Zacha, the company's new director of Lewiston operations. Zacha, who started June 1, is the fourth man to hold the position since ATK acquired CCI/Speer in 2001. He expects to work through the hiccups that come with the Lewiston plant's success. "The Lewiston plant is doing excellent," says Zacha. "Volumes are very good. Business is at an all-time high. The future looks very promising for that to continue." The number of employees has grown by about 130 to 830 since the Lewiston ammunition maker became a part of ATK, and it continues to add workers at the rate of about 10 per month, including hires that fill openings created by retirements. The sources of business are diverse. ATK makes .22- and .17-caliber rim fire that is used mostly for target or varmint shooting with rifles or pistols; center-fire pistol ammunition for law enforcement; primers, which are the part of the ammunition that ignites cartridges; and powerloads, which are like .22-caliber blanks that are used to drive nails or other fasteners in construction. Primers made in Lewiston supply the factory there and ATK operations in Lake City and Anoka, Minn.

Doug Tweedy, Regional Economist
1158 Idaho St., Lewiston, ID 83501
(208) 799-5000 ext. 3511

E-mail: doug.tweedy@labor.idaho.gov



Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

The Boise-Nampa Metropolitan Statistical Area's seasonally adjusted unemployment rate dropped a half percentage point in May to 2.1 percent from April's already historic low. May's unemployment rate was a full percentage point below a year ago as over 10,000 more people were working. There were 2,600 more people on the job than in April while the number of unemployed dropped by 1,400 even as the labor force overall expanded. The number of people out of work was down 30 percent, about 2,700, from May 2006.

The metropolitan area's unemployment rate at nearly 50 percent below the level considered full employment has created an employee's job market where employers have to be more creative to attract talent. Some of those recruiting strategies have begun to work in May as not only did the ranks of the unemployment shrink by 1,400 but 1,200 new entrants into the labor force found jobs with employee-starved employers.

Southwestern Idaho Table 2: May 2007 Seasonally Adjusted Labor Force Figures for Southwestern Idaho Counties

	Civilian Labor Force	Number Unemployed	Percent Unemployed	Number Employed
Ada	199,921	3,809	1.9	196,112
Adams	1,986	79	4.0	1,907
Boise	4,336	79	1.8	4,258
Canyon	83,778	2,186	2.6	81,592
Elmore	11,069	344	3.1	10,725
Gem	7,807	199	2.6	7,608
Owyhee	4,898	67	1.4	4,830
Payette	10,419	300	2.9	10,118
Valley	5,159	142	2.8	5,017
Washington	5,150	139	2.7	5,011
Statewide	755,386	17,390	2.3	737,996

Southwestern Idaho Table 1: Boise City-Nampa MSA Labor Force & Employment (Ada, Canyon, Boise, Gem and Owyhee counties)

	May 2007*	Apr 2007	May 2006	% Change Last Month	% Change Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	300,700	299,500	293,300	0.4	2.5
Unemployment	6,300	7,700	9,000	-18.2	-30.0
% of Labor Force Unemployed	2.1	2.6	3.1		
Total Employment	294,400	291,800	284,300	0.9	3.6
<i>Unadjusted</i>					
Civilian Labor Force	300,400	299,000	293,300	0.5	2.4
Unemployment	5,000	8,000	7,900	-37.5	-36.7
% of Labor Force Unemployed	1.7	2.7	2.7		
Total Employment	295,400	291,000	285,400	1.5	3.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	281,900	279,600	268,400	0.8	5.0
GOODS-PRODUCING INDUSTRIES	57,300	57,100	56,300	0.4	1.8
<i>Natural Resources & Construction</i>	25,500	25,200	24,900	1.2	2.4
Construction	25,200	24,900	24,500	1.2	2.9
<i>Manufacturing</i>	31,800	31,900	31,400	-0.3	1.3
Durable Goods	25,800	25,900	25,100	-0.4	2.8
Wood Product Manufacturing	2,600	2,500	2,700	4.0	-3.7
Fabricated Metal Products Mfg.	1,700	1,700	1,500	0.0	13.3
Machinery Manufacturing	1,300	1,400	1,300	-7.1	0.0
Computer & Electronic Manufacturing	15,200	15,200	14,700	0.0	3.4
Transportation Equipment Mfg.	2,600	2,500	2,300	4.0	13.0
Other Durable Goods	2,400	2,600	2,600	-7.7	-7.7
Nondurable Goods	6,000	6,000	6,300	0.0	-4.8
Food Manufacturing	4,200	4,300	4,300	-2.3	-2.3
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,100	1,000	1,300	10.0	-15.4
SERVICE-PROVIDING INDUSTRIES	224,600	222,500	212,100	0.9	5.9
<i>Trade, Transportation, & Utilities</i>	54,500	53,900	50,900	1.1	7.1
Trade	46,800	46,200	43,500	1.3	7.6
Wholesale Trade	12,300	12,200	12,000	0.8	2.5
Wholesalers, Durable Goods	6,900	6,900	6,900	0.0	0.0
Wholesalers, Nondurable Goods	3,900	3,800	3,600	2.6	8.3
Retail Trade	34,500	34,000	31,500	1.5	9.5
Food & Beverage Stores	4,500	4,500	4,500	0.0	0.0
General Merchandise Stores	7,400	7,300	6,000	1.4	23.3
All Other Retail Trade	22,600	22,200	21,000	1.8	7.6
Transportation, Warehousing, & Utilities	7,700	7,700	7,400	0.0	4.1
Utilities	700	700	600	0.0	16.7
Transportation & Warehousing	7,000	7,000	6,800	0.0	2.9
<i>Information</i>	4,800	4,700	4,600	2.1	4.3
Telecommunications	1,300	1,300	1,400	0.0	-7.1
<i>Financial Activities</i>	15,300	15,200	14,100	0.7	8.5
Finance & Insurance	10,700	10,700	9,900	0.0	8.1
Real Estate & Rental & Leasing	4,600	4,500	4,200	2.2	9.5
<i>Professional & Business Services</i>	41,100	40,900	40,100	0.5	2.5
Professional, Scientific, & Technical	11,800	11,900	11,500	-0.8	2.6
Management of Companies & Ent.	5,600	5,600	5,700	0.0	-1.8
Administrative & Support & Waste Mgmt.	23,700	23,400	22,900	1.3	3.5
<i>Educational & Health Services</i>	33,000	32,900	31,700	0.3	4.1
Educational Services	2,900	2,900	2,600	0.0	11.5
Health Care & Social Assistance	30,100	30,000	29,100	0.3	3.4
Hospitals	9,800	9,700	9,400	1.0	4.3
<i>Leisure & Hospitality</i>	24,500	24,200	23,500	1.2	4.3
Arts, Entertainment, & Recreation	3,200	3,200	3,300	0.0	-3.0
Accommodation & Food Services	21,300	21,000	20,200	1.4	5.4
Accommodation	2,400	2,400	2,200	0.0	9.1
Food Services & Drinking Places	18,900	18,600	18,000	1.6	5.0
<i>Other Services</i>	7,800	7,700	6,600	1.3	18.2
Total Government	43,600	43,000	40,600	1.4	7.4
Federal Government	5,900	5,600	5,700	5.4	3.5
State & Local Government	37,700	37,400	34,900	0.8	8.0
State Government	14,000	13,900	13,200	0.7	6.1
State Government Education	4,600	4,600	4,400	0.0	4.5
State Government Administration	9,400	9,300	8,800	1.1	6.8
Local Government	23,700	23,500	21,700	0.9	9.2
Local Government Education	15,500	15,300	13,600	1.3	14.0
Local Government Administration	8,200	8,200	8,100	0.0	1.2

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Nonfarm jobs continued increasing at a brisk pace in May, up nearly a point from April and 5 percent over the previous year. Metropolitan nonfarm payrolls grew by 2,300 in May and were up 13,500 from May 2006. The largest gains came in retail trade with 500 jobs as Nampa's Treasure Valley Marketplace continued to fill up along with administrative support, which added 300 jobs as the summer hiring season was under way and temporary service agencies got into full swing. Government was also a big gainer, hiring 600 workers for mostly seasonal jobs such as fire fighting and summer maintenance at the state and county levels. The May 2007 civilian labor force and total employment figures for all 10 counties in southwestern Idaho are shown in Southwestern Idaho Table 2 on page 14.

AREA DEVELOPMENTS

BOISE METROPOLITAN AREA

- Blackhawk Products Group of Norfolk, Va., recently opened for production in the former Michael's of Oregon building in the Silverstone business park in Meridian. Blackhawk manufactures products similar to Michael's like military and law enforcement gear, holsters, boots and gloves, which it distributes to a network of 3,000 dealers. Blackhawk hopes to eventually employ up to 250 people at its Meridian facility.
- A new call center is currently hiring telephone operators in the Meridian area. Dial 411 says it could have 300 people working at the new call center within a year. It opens July 31. Dial 411 is a new directory assistance call center that will provide business and residential phone numbers as well as business referrals. The businesses it serves will be charged a membership fee, and call transfers will range in cost from \$1.65 to \$5.50. Dial 411 operators will be starting out at \$10 an hour with full benefits packages.
- Ground was recently broken on a new fire station in East Nampa. Fire Station No. 5 is scheduled to be up and running by December.
- Greenleaf is home to one of the newest ranches in Idaho. Hare of the Dog Ranch is raising rabbits that meet all state requirements and are not given hormones or antibiotics. Hare of the Dog also raises ducks and sells duck eggs. This new business markets its products at the Boise Co-Op and Capital City Public Market in Boise, which is open on Saturdays.
- Boise-based Washington Group International has been bought by San Francisco-based URS Corp. The buyout was valued at \$2.6 billion. Washington Group is expected to remain in Boise as a subsidiary of URS, keeping the company's roughly 600 employees in Boise. The buyout will make URS the fourth largest construction and engineering company in the world. Washington Group was the 13th largest in the world before this deal was made.
- Property values are up in 2007 in Ada County. The median increase in assessed value was 16.7 percent, ranging from 11.8 percent in northeast Meridian to 23.8 percent on the Boise Bench.

Property values in Ada County's three urban renewal districts rose faster than the county overall. Property in the Meridian urban renewal area increased 48 percent to \$125.3 million. Boise's urban renewal district increased 40 percent, and Garden City's was up 37 percent.
- Lowe's Home Improvement Warehouse is building a second store in Meridian. The new store will be 117,000 square feet on 12.5 acres valued at \$18 million. Once completed this fall, the store will employ between 150 and 175 workers.
- MotivePower of Boise has taken orders for 12 more locomotives in a contract deal worth approximately \$33 million. MotivePower is scheduled to fill the contract during 2008-2009 for public transportation agencies in California, New Mexico and Minnesota.
- As the Boise Airport continues to grow, so does the number of direct flights to major metropolitan areas. Delta added a daily nonstop flight to Los Angeles on July 1 for up to 50 passengers.
- A new charter high school in Eagle will be opening this fall. The organizers of the kindergarten-to-eighth-grade North Star Charter School are launching the North Star High School, which will emphasize economics and business as well as writing and leadership courses. Students will spend time with local business leaders learning how business is conducted outside of an academic setting.
- Walgreens is currently building new stores in Nampa near Mercy Medical Center and in Caldwell near West Valley Medical Center.
- Supervalu is moving staff out of five office buildings in Boise to the former Albertsons headquarters building and other nearby locations. Previous layoffs and staff transfers to Minnesota opened up space in the headquarters building, permitting the consolidation. The move is not resulting in more layoffs.

- The Humanitarian Bowl has a new title sponsor. Roady's Truck Stops of New Plymouth in Payette County signed a three-year sponsorship agreement for the annual college football bowl game in Boise State University's Bronco Stadium. Roady's Truck Stops has over 350 locations in the United States and is headquartered in New Plymouth.
- The city of Nampa is getting a new outdoor ice skating rink. The Nampa Ice Factory has broken ground on a 130- by 70-foot rink and is set to open sometime in October. In addition to the ice rink, a 4,000-square-foot restaurant is being built close enough to the rink for patrons to watch the skaters. In the spring and summer months the ice rink will be available for private and community events.

ELMORE COUNTY

- The Elmore Medical Center has begun a \$1.4 million expansion of the Trinity Mountain Family Practice Clinic. Approximately 4,200 square feet will be added to accommodate new physicians along with expanded parking, front office improvements and a waiting room.
- Elmore County recently opened its new \$7.5 million, 138-bed jail. The county has also secured a contract with the Idaho Department of Correction to house up to 70 minimum-security inmates. The building also houses the sheriff, his chief deputy, the new 911 dispatch center and the warrants office.

PAYETTE COUNTY

- A \$500,000 rural community development block grant has been approved for Payette County for new roads to allow access to Hannigan Motors' new auto mall along I-84 at Exit 3. Once complete, the Hannigan Auto Mall expects to create 34 new jobs with benefits.

VALLEY COUNTY

- The value of all property in Valley County exceeded \$6 billion in 2007, a 50 percent increase from 2006. Incredibly, just three years ago, values totaled just \$1.8 billion. Bare land values were up 135 percent in McCall, 55 percent in Cascade and 65 percent in Smiths Ferry.
- Construction has begun on the new McCall Elementary School near the Payette Lakes Middle School. It is scheduled to open in fall 2008. The roughly 61,000-square-foot, two story school will cost \$13.3 million.
- Voters in the Meadows Valley School District have passed a supplemental two-year levy for \$195,000

to pay for shop classes and instructors, supplies and instructors in other classes, compliance with testing requirements and replacement of items lost in the recent school fire that are not covered by insurance.

ADAMS COUNTY

- The Adams County Historic Preservation Commission recently received a \$257,000 Idaho Community Block Grant to convert the old courthouse into a community center. The courthouse was built in 1915 and has fallen into disrepair.

WASHINGTON COUNTY

- Weiser Products Inc. has officially transitioned to Robert Weed Plywood Corp. in the Weiser Industrial Park near Champion Homes and Mirage Trailers. All 22 employees remain on the job, making products for the manufactured home industry, RV manufacturing industry and others. Robert Weed will manufacture laminate paneling, cabinetry, shelving, molding, paints, adhesives and sealers for customers in Idaho, Alaska, Oregon, Washington and California.
- Midvale held the grand opening of its new \$200,000 Ag Shop complete with tools and supplies. More classes in professional technical fields will now be available for the town's high school students.

John Panter, Regional Economist

205 E. Watertower Lane, Meridian, ID 83642

(208) 364-7785, ext. 3599

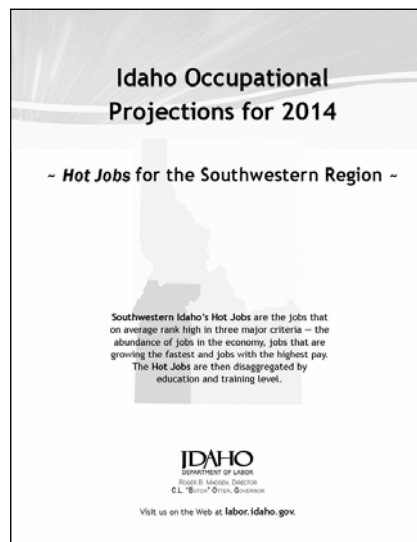
E-mail: john.panter@labor.idaho.gov

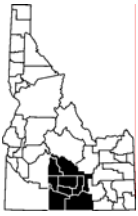
Southwestern Idaho's Hot Jobs are the jobs that on average rank high in three major criteria — the abundance of

jobs in the economy, jobs that are growing the fastest and jobs with the highest pay.

This publication, available at lmi.idaho.gov, lists the disaggregated **Hot Jobs** by education and training level.

From the Web site, choose Area LMI from the top menu. Then choose the region of interest from the state-wide map.





South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for May dropped radically from April's estimate of 3.2 percent to 2 percent for the Twin Falls-Jerome Micropolitan area. This is almost a full point and a half below May 2005's rate of 3.4 percent. There are fewer people unemployed due to continued pent-up demand for workers and the spike in demand due to the prime employment season. But the Bureau of Labor Statistics estimate in May was driven more by the results of what's known as the Current Population Survey than by other factors such as job creation, reports from employers and unemployment insurance claims. The results of that survey can be highly volatile from month to month because it covers only 600 of Idaho's 530,000 households.

Clearly the labor force in the Twin Falls-Jerome area is gearing up for a busy summer and continuing on through the remainder of the year. However, it is believed that this month's freefall in the jobless rate will be seen as an anomaly as figures are compiled through the summer months. The region's growth areas are in construction, retail, education, health care, manufacturing, agriculture, transportation and warehousing as its population continues climbing at a sustained 2 percent to 4 percent a year.

The reality is that to have a talented and dependable work force, all employers will have to:

- ✱ *Provide competitive wages and benefits.*
- ✱ *Develop a creative recruitment and retention plan.*
- ✱ *Establish flexible hiring standards and flexible scheduling practices.*
- ✱ *Research and implement accommodations for the growing number of individuals with physical limitations that do not preclude their ability to accomplish the job duties.*

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	May 2007*	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	48,660	48,640	49,530	0.0	-1.8
Unemployment	980	1,580	1,590	-38.0	-38.4
% of Labor Force Unemployed	2.0	3.2	3.2		
Total Employment	47,680	47,060	47,940	1.3	-0.5
<i>Unadjusted</i>					
Civilian Labor Force	48,750	48,290	49,670	1.0	-1.9
Unemployment	760	1,590	1,400	-52.2	-45.7
% of Labor Force Unemployed	1.6	3.3	2.8		
Total Employment	47,990	46,700	48,270	2.8	-0.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	40,580	40,070	38,930	1.3	4.2
<i>Goods-Providing Industries</i>	7,480	7,350	6,930	1.8	7.9
Natural Resources & Mining	40	30	30	33.3	33.3
Construction	2,490	2,400	2,410	3.8	3.3
Manufacturing	4,950	4,920	4,490	0.6	10.2
Food Manufacturing	2,640	2,630	2,400	0.4	10.0
Other Manufacturing	2,310	2,290	2,090	0.9	10.5
<i>Service-Providing Industries</i>	33,100	32,720	32,000	1.2	3.4
Trade, Transportation & Utilities	9,840	9,900	9,630	-0.6	2.2
Wholesale Trade	1,900	1,900	1,870	0.0	1.6
Retail Trade	5,720	5,780	5,760	-1.0	-0.7
Utilities	150	150	170	0.0	-11.8
Transportation & Warehousing	2,070	2,070	1,830	0.0	13.1
Information	650	640	630	1.6	3.2
Financial Activities	1,620	1,600	1,700	1.3	-4.7
Professional & Business Services	4,960	4,680	4,920	6.0	0.8
Educational & Health Services	5,120	5,020	3,420	2.0	49.7
Leisure & Hospitality	3,380	3,270	3,190	3.4	6.0
Other Services	1,480	1,480	1,390	0.0	6.5
Government Education	3,550	3,710	3,200	-4.3	10.9
Government Administration	2,500	2,420	3,920	3.3	-36.2

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

- ✱ *Provide needed training through on-the-job training or assistance in obtaining secondary or post-secondary education.*

The latest city population estimates show Twin Falls added more people than any other city in the area at 1,600 to push total population over 40,000 in 2006, and Filer posted the highest growth rate of 5.4 percent between 2005 and 2006. Kimberly, another bedroom

community of Twin Falls, saw solid growth of 3.4 percent. This differs from southwestern Idaho, where the population is relocating from Boise to lower cost suburbs like Kuna, Star and Meridian. That indicates that living in Twin Falls is still affordable. With the softened housing market, real estate prices may settle into a comfortable compromise with surrounding communities.

High-growth commercial construction is just getting revved up and will likely pick up the construction workers who spent the last five years working on residential housing. The city of Twin Falls saw building permits for single family homes fall off 74 percent in May. Interest rates are still considered low from a historical perspective so they should not create a slow down on the commercial side. However, considering rates have crawled up almost a point over the last year, it may curtail market activity in simply upgrading homes, especially when any reduction in home prices would likely be eaten up by the higher interest rate. Fortunately, this area is experiencing a good proportion of in-migration from other states and even other countries. Many grandparents are retiring here from high cost-of-living areas to be closer to children and grandchildren and enjoy the quality of life, having cashed out of much more expensive homes.

CAMAS COUNTY

- Fairfield City Hall has just emerged from a three-year long remodel that included a new roof, log siding, a larger meeting area, new furniture, lighting, paint and carpet. The cost of \$22,000 does not reflect the value of the project that included significant volunteer hours and material donations.
- Fairfield city officials and Camas County officials are considering expanding the Fairfield's area of impact to include Soldier, an unincorporated community. A building moratorium has been implemented and will expire at the end of September. Expanding the impact area would allow the city to become proactively involved in planning following a recent annexation.

MINI-CASSIA

- Minidoka County commissioners have declared a state of emergency due to drought. The decision came as Water Resource Director David Tuthill accepted a mitigation plan from groundwater pumpers that ended the threat of shutting down wells irrigating 16,000 acres
- Intrepid Technology & Resources designs and operates digesters for dairy waste, and Whitesides Dairy was the first to integrate the process into its operation and produce pipeline-quality methane gas that is sold to natural gas providers. The process also

converts the remaining solids into a peat moss substitute. The product is ready after approximately 40 days and the solid content has been reduced to less than 4 percent. The final by-product, the waste water used in the processing, can be recycled for use in the next digestion process. Intrepid estimates that Whitesides Dairy has processed over 10 million gallons of manure in the last two years. It currently produces sufficient methane gas to heat 5,000 homes. It is estimated that the initial investment of a dairy can be recouped within three years.

- Kodiak Northwest, a company that manufactures snow removal equipment, will use a \$24,000 incentive from Business Plus to get its operations ramped up. It will be moving from Paul to the former Rite-Aid building in Burley, expanding employment from 60 to 75 workers. Kodiak assembles machined and painted parts into large snow blowers and other heavy equipment. Business Plus is an economic development organization funded by private industry to promote positive economic growth in south central Idaho.

BLAINE COUNTY

- Our Lady of the Snows Catholic Church is building a new church in Sun Valley. The dedication is tentatively set for Dec. 13.
- Sun Valley's only private golf course and country club, Valley Club, has added nine new holes to its existing 18-hole course. The designer, Tom Fazio, is known around the country for building beautiful and interesting courses that look well-established and mature. He makes the course appear more difficult than it is and gives it an uncluttered look. Stoney Brown, who has been club director at Valley Club for four years after 29 years at Crane Creek Country Club in Boise, believes "intimidation is huge on this course."
- Fourth Street Heritage Corridor is still in its infancy but renovations have progressed to the point that future Fourth of July celebrations will be scheduled on the newly constructed pedestrian corridor. This first phase has included widening the sidewalks, narrowing the streets, installing new streetlights, creating gathering places with public art and accommodating bike paths at a cost of approximately \$900,000. The entire project will cost \$4.5 million. These same amenities will eventually cover an eight-block area. Two to three blocks are being re-done each year.
- The Friedman Airport is approaching its busiest season, July and August, when the number of flights

doubles from nearly 4,000 to almost 8,000. The Allen & Company media conference is scheduled for July 10, and corporate jets normally exceed parking capacity so some are either diverted to Twin Falls or returned to their home airports. The noise and congestion can be a nuisance so corporate flight departments are given suggested guidelines on airport approach, departure and curfews in an effort to help everyone maintain their cool through the busy summer season.

TWIN FALLS COUNTY

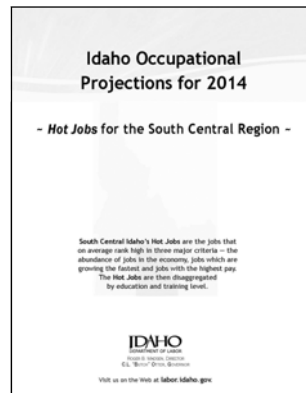
- A new seed testing lab, BioDiagnostics West LLC, cut the ribbon for its 6,000-square-foot laboratory in Twin Falls. The lab has 10 employees including three experienced registered seed technicians. This is a coup for the Twin Falls company since there are only 180 registered seed technicians in the United States and Canada. In addition, the technicians can conduct the required Department of Agriculture testing prior to labeling and shipping seed.
- Valley Coop has closed its Twin Falls location because of poor store performance. It will retain a couple of employees to work at other stores in the region with the rest laid off. The coop currently has outlets in Buhl, Gooding, Jerome and Shoshone, selling fuel, livestock and farm supplies. Fuel was the missing component for the Twin Falls location and would have created more foot traffic.
- The Skippers restaurant, a long-time fixture on Blue Lakes Boulevard, has closed its doors. The restaurant was always busiest during Lent when fish and seafood demand was at its highest in the community. The parent company is declaring bankruptcy. Skippers Inc., founded in Bellevue, Wash., in 1969, experienced rapid expansion in the Northwest and British Columbia. It had 60 restaurants in Washington, Oregon, Idaho, Utah, Montana and Alaska.
- The College of Southern Idaho has experienced a favorable response to its mix of summer offerings. Enrollment has increased almost 13 percent from last summer's enrollment with core classes such as science, mathematics and English along with education and health care classes showing the highest enrollment figures.
- Idaho's region IV, which includes the eight counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls, has been awarded a three-year, \$5 million grant from the U.S. Department of Labor to develop a work force initiative that enhances training in high-demand occupations, targets workers who do not have a high school diploma or speak English as a second language. The

grant will be administered in partnership with the College of Southern Idaho, local school districts, the Idaho Department of Labor and local economic development organizations.

- The Filer School Board has voted to submit a \$14 million bond to voters to build a new intermediate school for fourth through sixth grades and upgrade and expand existing facilities. This would free up space in elementary schools and the Filer Middle School. The city experienced 5.7 percent population growth from 2005 to 2006, the 11th strongest in the state and highest in the region.
- Buhl's LaPlaza's restaurant had a grand opening at the end of June for the newly expanded restaurant. Seating capacity was increased by 70 and new waitresses will be hired to handle the additional demand. The family-operated restaurant opened three years ago, offering family recipes.
- Buhl has a new alteration and clothing design business — Made by Hand. The owner will do custom designing and sewing as well as alterations and repairs. She has lived in Buhl for nine years and will be operating from her home.
- A grand opening was held June 1 for the new owner of the Arctic Circle and Avid Sportsman in Buhl. The Avid Sportsman is a gasoline and convenience store and sporting goods retailer. The new owners are active in the community and anticipate continuing with that tradition of service.
- Ben's Construction is a new addition to the Buhl area, offering repairs, remodeling, new construction and concrete work. The owner emigrated from Brazil 15 years ago.

Jan Roeser, Regional Economist
420 Falls Ave., Twin Falls, ID 83301
(208) 735-2500, ext. 3639
E-mail: jan.roeser@labor.idaho.gov

South central Idaho's Hot Jobs are the jobs that on average rank high in three major criteria — the abundance of jobs in the economy, jobs that are growing the fastest and jobs with the highest pay.



This publication, available at lmi.idaho.gov, lists the disaggregated **Hot Jobs** by education and training level. From the Web site, choose Area LMI from the top menu. Then choose the region of interest from the statewide map.



Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

The Pocatello Metropolitan Statistical Area's civilian labor force continued to grow in May, but there was a dramatic drop in the number of unemployed. The seasonally adjusted unemployment rate of 2.4 percent was a half point lower than April's rate. All the southeastern counties posted declines from April in their jobless rates and numbers of unemployed. The May rate is the lowest for southeastern Idaho in this decade. Many parts of the nation are experiencing declines in construction work, and it appears to have leveled off in southeastern Idaho as well. But contractors are still busy, and there does not appear to be an excess of workers in the industry. This equilibrium is the most advantageous for both the construction workers and the construction employers. The large year-to-year increase in professional and business services is due primarily to an increase in workers at area call centers. One of the larger call centers was believed to have laid off several workers as a contract was completed, but it appears other call centers were the benefactors and hired many of those who were laid off. Oddly, the largest monthly employment increase came in government, which at the same time posted the largest year-to-year decrease in total workers. The increase from April was due primarily to the onset of road construction and fire fighting along with

Southeastern Idaho Table 2: County Unemployment Rates

County/Area	May 2006	May 2007
Bannock	3.4%	2.3%
Bear Lake	3.2%	2.0%
Bingham	4.2%	2.5%
Caribou	3.9%	2.7%
Franklin	2.9%	1.8%
Oneida	2.5%	1.6%
Power	4.5%	2.7%
State of Idaho	3.5%	2.3%

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment Bannock and Power counties

	May 2007*	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	44,510	44,900	44,400	-0.9	0.2
Unemployment	1,060	1,300	1,570	-18.5	-32.5
% of Labor Force Unemployed	2.4	2.9	3.5		
Total Employment	43,450	43,600	42,830	-0.3	1.4
<i>Unadjusted</i>					
Civilian Labor Force	44,620	45,680	44,560	-2.3	0.1
Unemployment	820	1,360	1,350	-39.7	-39.3
% of Labor Force Unemployed	1.8	3.0	3.0		
Total Employment	43,800	44,320	43,210	-1.2	1.4
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	40,210	3,980	39,320	910.3	2.3
<i>Goods-Producing Industries</i>	5,840	5,760	5,690	1.4	2.6
Natural Resources & Mining	30	30	20	0.0	50.0
Construction	2,010	1,920	2,010	4.7	0.0
Manufacturing	3,800	3,810	3,650	-0.3	4.1
Food Manufacturing	1,250	1,300	1,120	-3.8	11.6
Fabricated Metal Product Manufacturing	180	180	160	0.0	12.5
Machinery Manufacturing	270	270	240	0.0	12.5
Other Manufacturing	2,100	2,060	2,140	1.9	-1.9
<i>Service-Providing Industries</i>	34,360	34,220	33,630	0.4	2.2
Trade, Transportation & Utilities	7,490	7,450	7,480	0.5	0.1
Wholesale Trade	1,320	1,340	1,350	-1.5	-2.2
Retail Trade	4,800	4,740	4,680	1.3	2.6
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,310	1,320	1,400	-0.8	-6.4
Information	700	700	690	0.0	1.4
Financial Activities	2,240	2,220	2,100	0.9	6.7
Professional & Business Services	5,860	5,840	5,360	0.3	9.3
Educational & Health Services	3,410	3,400	3,200	0.3	6.6
Leisure & Hospitality	3,390	3,370	3,560	0.6	-4.8
Other Services	1,170	1,170	1,200	0.0	-2.5
Government Education	5,810	6,010	5,580	-3.3	4.1
Government Administration	4,300	4,060	4,460	5.9	-3.6

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

summer recreational activities such as fishing and boating. The year-to-year decrease appears to reflect a consolidation of some summer functions by various agencies.

MAINTAINING A WORK FORCE

As the economy of southeastern Idaho continues to improve, many business people and economic development professionals are concerned about maintaining a work force to accommodate further expansion. A large part of successful work force development is educating and training people who want to live in the area. The primary source of those individuals is area schools and training centers.

Each spring thousands of southeastern Idaho students and their families celebrate high school graduation, an accomplishment that brings with it the prospect of increased earning capabilities as well as the personal satisfaction that comes with reaching one of life's milestones. If recent graduates are similar to those in the past, many went through high school wondering why they were taking the classes they were taking and are wondering what they are going to do now. Recent surveys indicate 56 percent of the graduates plan to attend a four-year college and about 47 percent will actually complete at least a semester at college this fall. Of those who do not plan to continue their education, the vast majority plan to enter the work force. Some will enlist in the military, go on a church mission or perform public service through the Peace Corps or similar organization.

Only a small percentage of those planning to continue their education have a career goal. Many will find themselves taking classes aimlessly to fulfill the requirements to graduate with a degree or certificate, which will qualify them for a job that may or may not be what they actually want to do for the rest of their lives. Others may find that they have taken classes or training in fields which offer few opportunities for employment or opportunities in parts of the country where they want to live.

To assist in developing Idaho's future work force so it meets the needs of the state's evolving economy, Idaho Labor has published the Idaho Occupational Projections through 2014. The analysis identifies "Hot Jobs" for each region of Idaho as well as for the entire state. Future job prospects can be sorted by pay rates, educational requirements and the number of projected openings. All ages and grades of students and their families can benefit by taking time to review these projections and evaluate how they can help meet future work force needs as they pursue their educational goals. Copies of the report can be sent to you by regional economists, or you can access the report on the Web at lmi.idaho.gov.

AREA INTERESTS

- Because many of the region's reservoirs began the year near capacity, most people anticipated a good water supply for this year's growing season. But the outlook has become less certain, and some have expressed serious concern. Despite record setting rainfall the first week of June, the precipitation for the water year, which began in October, is less than half the 30-year average, and that could force those in charge of water allocation to reduce supplies earlier than normal.
- The low snow pack also affects the cost of electricity by reducing the stream flows through the hydroelectric generators in the state. That forces utilities to use more expensive coal- and gas-fired generation to meet demand. Area residents have been notified of expected rate increases from Idaho Power Co. as a result. In addition, a recent 9th U.S. Circuit Court of Appeals decision eliminated a credit from the Bonneville Power Administration that will result in higher electrical bills for those getting power from other utilities like Rocky Mountain Power. It seems little can be done to avert the rate increases this year, but with a little more water next year residents might expect rates to drop.
- Last summer, several people in southeastern Idaho experienced severe illness from West Nile Virus, and nearly every county reported horses that had died from the disease. This year, all the counties are proposing mosquito abatement districts to attack the carrier. So far, districts have been formed in Bear Lake and Bingham counties. Bingham had 143 cases reported last year.
- The Pocatello community benefits economically from hosting the Idaho High School Rodeo Finals each June, and this year was no exception. Families from all around the state converged on the city for a week of activities. Many of the participants from southeastern Idaho earned the right to attend the National High School Rodeo Finals in Springfield, Ill, later this month.
- A review of property assessments by the State Tax Commission for Power, Bannock and Franklin counties found assessed values of some properties have not been keeping up with rising market values. State law requires assessed values to be within 95 to 110 percent of market value. Each county is doing what is necessary to bring assessments in line, and property owners have been given notice of expected property tax increases.
- Gov. C.L. "Butch" Otter announced funding to support full-time economic development specialists for the rural areas of the state including three in southeastern Idaho. Receiving the support will be the Great Rift Business Development Organization, which includes American Falls, Rockland and Aberdeen; the Bingham Economic Development Corp., which includes all of Bingham County; and the 4 County Alliance of Southeastern Idaho, which includes Caribou, Oneida, Franklin and Bear Lake counties.

BANNOCK COUNTY

- Hoku Materials recently indicated it may need a larger facility than originally planned. A contract with a subsidiary of Solar-Fabric could be worth \$185 million over seven years. If the contract comes through, Hoku would need to add an additional 1,000 metric tons of capacity to its polysilicon plant.
- Pocatello's Iron Triangle, the former home of many badly used Volkswagen automobiles and popular night club Jim Dandy's, is being turned into a 26,000-square-foot business complex called the Triangle. The Pocatello Development Authority began negotiations for 16 parcels of land in 2003 and has recently accepted construction bids.
- Pita Pit opened for business in the new Pocatello Square shopping area. The business that offers pitas, smoothies and breakfasts is owned by brothers Steve and John Lindsay and employs 15.
- Bannock County Sheriff Lorin Nielsen accepted an offer from the U.S. Marshall's Office to house federal prisoners in transition situations. Specifics have not been released, but the contract is for approximately \$200,000.
- JC Penny is spending more than \$1 million to remodel its store in the Pine Ridge Mall. The project is good news for Pocatello area shoppers and mall owner General Growth Properties following recent store closures in the mall. Recent perceptions that Pine Ridge shopper traffic is down have been wrong. Shopper traffic last year hit 3.2 million compared to a usual average of 3 million shoppers.
- Dining options were expanded with the opening of Chili's in the new Rail Crossing shopping center. Business has been brisk, and patrons seem pleased to have a new restaurant available.
- Pocatello Mayor Roger Chase announced the Federal Highway Administration has approved the long awaited south end connector. The next phase for the city will involve final design work and right-of-way acquisition. Construction is anticipated to begin in the fall of 2009 or spring of 2010.

BEAR LAKE COUNTY

- Bear Lake Memorial Hospital has expanded its services for mental health. Richard Bergman was hired to provide psychosocial rehabilitation services for the area. That is a Medicaid service, offering intervention therapy both at home and in the community for anyone aged 3 and older.
- Bear Lake School District voters approved a \$500,000 levy to maintain current operations at

nearly the same level as last year. But even with the approval, it appears at least one teaching position will be eliminated.

- The Bear Lake Valley Chamber of Commerce welcomed two old businesses that now have new owners. Bear Lake Car Care was purchased by former employees Bob Biggs and Jim Griglack. They handle all types of car repairs and sell 12 major brands of tires. Stuart and Kathy Marshall are the new owners of Montpelier Creek KOA. The Marshalls have been busy making improvements and will provide a family friendly atmosphere for travelers as well as local residents.
- Ground was broken on June 11 for eight new homes being built under the Mutual Self-Help Housing Program. This program emphasizes teamwork and community by bringing pre-qualified participants who work together to construct homes for themselves. Participants in the program work 30-35 hours per week supervised by qualified staff from the Southeastern Idaho Community Action Agency. The projects are funded by a coalition of agencies that includes USDA Rural Development, Community Frameworks and Idaho Housing and Rural Community Action. Actual construction will begin in August.

BINGHAM COUNTY

- Bingham Memorial Hospital has been expanding, and it is showing in the growth of revenue and business activities. Admissions hit 190 in April compared to 93 admissions in April 2006. The number of surgeries more than doubled from 33 in April 2006 to 74 this April. Bingham County commissioners and the hospital governing board are also evaluating future revenue needs and the best legal structure for operating the hospital before the need for bonding arises.
- The Idaho Potato Expo is being renamed and activities expanded to attract more visitors. The new name will be Idaho Potato Museum, and it will offer tours explaining the history of the potato industry, discussing crop production and offering nutritional information. The museum is being touted to operators of commercial motor coach tours traveling to Yellowstone National Park.
- Business is booming in Blackfoot. New businesses are being built while others are expanding and relocating to better serve their customers. The new building west of downtown will house the State Liquor Store, Advance Check and Loan and a convenience store. Gold's Gym is scheduled to open in August in the old Spudnik building to the south.

CARIBOU COUNTY

- The recent announcement that URS is buying Washington Group International for a reported \$2.6 billion may be good news for some workers in Caribou County. The purchase price amounts to \$80 per share and was a 14 percent premium on the stock's market price the day of the announcement. Washington Group International is headquartered in Boise but does a substantial amount of mining-related work in Caribou County, and employees have had the opportunity to purchase stock as part of their benefit package. The combined company will be called URS Corp. and will be the fourth largest publicly traded engineering and construction company in the United States.
- Caribou Memorial Hospital is innovating and updating. The hospital recently installed a state-of-the-art heart monitoring system that has telemedicine capabilities allowing patient information to be monitored by cardiologists and other specialist anywhere in the world.
- Working with the Public Hospital Cooperative, the hospital also acquired technology that allows patients to use telemedicine for inpatient psychology. The primary physician is Dr. Bill Hazel, who is a board certified psychiatrist working full time in Pocatello. Hazel has had extensive telemedicine experience.
- Rising power prices and a declining number of workers at major businesses were the major economic concerns expressed to Gov. C.L. "Butch" Otter by local citizens during the governor's Capital for a Day event in Soda Springs. Otter responded to a large variety of questions on other topics as well and complimented the community's work force on its outstanding record of workplace safety.
- The Grace School Board has unanimously adopted a four-day school week. In addition to some monetary savings, trustees expect a shortened week will reduce absenteeism and time out of class for extra-curricular activities.

ONEIDA COUNTY

- County Building Inspector Don Hubbard reports that building activity is brisk. In addition to several remodel and outbuilding projects, there are six new homes under construction. Four are being built under the Southeastern Idaho Community Action Agency's Self-Help Program and the other two are in Stone. Several more are expected to be started in the Malad Valley.
- The Malad Economic Development Foundation asked for less financial support from the county be-

cause former Director Kathy Ray is now director of economic development for all four southeastern Idaho counties. The foundation also listed expansion of the Malad Industrial Park is its top short-term goal. Others include recruiting another doctor for the area, supporting the annual Welsh Festival, retaining the U.S. Forest Service office and developing a Certified Local Government Preservation Program.

- Pocatello Urban Transit will now be providing transportation across state lines for residents of Oneida County into Snowville, Utah, and back. Senior citizens going to the Curlew Valley Community Center are expected to be the primary users.

POWER COUNTY

- Southeast Idaho Energy LLC announced plans for a \$2 billion agricultural product and energy facility called the Power County Advanced Energy Center. It will produce fertilizer and ultra-low sulfur diesel fuel. The company hopes to begin construction next year with Phase 1 starting up in 2011 or 2012. An average of 700 workers will be needed for construction. Once fully operational, the company will employ 150 at an average annual salary of \$50,000.
- American Falls received a \$67,000 grant from the Idaho Department of Transportation to repair and upgrade sidewalks in several areas of the city.

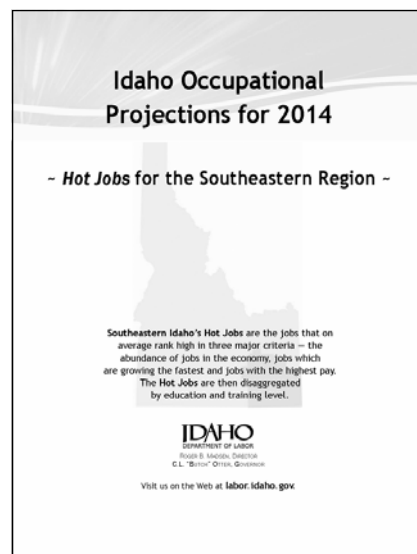
Scott Hobdey Regional Economist
430 N. 5th Ave., Pocatello, ID 83205
(208) 236-6710, ext. 3713
E-mail: scott.hobdey@labor.idaho.gov

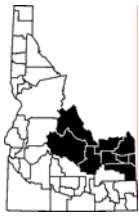
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East Central Idaho News

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON & TETON COUNTIES

EMPLOYMENT TRENDS

The seasonally-adjusted unemployment rate dropped half a percentage point from April to 1.9 percent for May in the Idaho Falls Metropolitan Statistical Area and was 1.3 percentage points below May 2006 as seen in East Central Idaho Table 1. Dry, warm weather has benefited all types of construction, retail trade and the hospitality sector. In fact, no industry showed a decrease in the number of jobs over the month or a substantial decline from a year ago. The drop in professional services reflected a correction in the county where those workers live and not in the actual level of employment. Idaho Falls area, the largest city in the metropolitan area, posted an unemployment rate of 1.6 percent, down 1.1 percentage points from the previous month and 1.9 percentage points from the same time last year. This extremely low jobless rate in May appears to be a statistical aberration that likely will be corrected in the coming months.

AREA DEVELOPMENTS

BONNEVILLE COUNTY

- Okos Solutions moved its headquarters from Washington D.C. to Idaho Falls in January, but waited until everything was in line with its business partners to make the official announcement in June. The company has 10 employees but hopes to expand to 50 over the next two years, most of them engineers, software professionals and technical professionals. Okos Solutions claims to be a leader in cutting edge signal processing and next generation data acquisition technologies and in offering solutions for digital imaging, software radio, LIDAR, RADAR and the signal intelligence community. Okos

East Central Idaho Table 1: Idaho Falls MSA Labor Force & Employment
Bonneville and Jefferson counties

	May 2007*	Apr 2007	May 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	58,610	59,440	57,560	-1.4	1.8
Unemployment	1,090	1,410	1,820	-22.7	-40.1
% of Labor Force Unemployed	1.9	2.4	3.2		
Total Employment	57,520	58,030	55,740	-0.9	3.2
<i>Unadjusted</i>					
Civilian Labor Force	58,470	58,510	57,390	-0.1	1.9
Unemployment	780	1,390	1,450	-43.9	-46.2
% of Labor Force Unemployed	1.3	2.4	2.5		
Total Employment	57,690	57,120	55,940	1.0	3.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	51,910	51,060	53,490	1.7	-3.0
<i>Goods-Producing Industries</i>	8,150	7,870	7,270	3.6	12.1
Natural Resources & Mining	10	10	50	0.0	-80.0
Construction	4,730	4,450	3,890	6.3	21.6
Manufacturing	3,410	3,410	3,330	0.0	2.4
Food Manufacturing	1,040	1,040	1,030	0.0	1.0
Fabricated Metal Product Manufacturing	310	310	250	-0.1	23.8
Machinery Manufacturing	150	150	150	0.0	0.0
Other Manufacturing	1,910	1,910	1,900	0.0	0.5
<i>Service-Providing Industries</i>	43,760	43,190	46,220	1.3	-5.3
Trade, Transportation & Utilities	13,690	13,540	13,470	1.1	1.6
Wholesale Trade	6,990	4,040	4,180	73.0	67.2
Retail Trade	7,860	7,670	7,650	2.5	2.7
Utilities	60	60	50	0.0	20.0
Transportation	1,780	1,770	1,580	0.6	12.7
Information	1,240	1,240	1,180	0.0	5.1
Financial Activities	2,300	2,300	2,140	0.0	7.5
Professional & Business Services	5,800	5,680	9,480	2.1	-38.8
Educational & Health Services	7,180	7,120	6,790	0.8	5.7
Leisure & Hospitality	4,450	4,370	4,420	1.8	0.7
Other Services	1,910	1,890	2,040	1.1	-6.4
Government Education	3,610	3,580	3,470	0.8	4.0
Government Administration	3,580	3,470	3,230	3.2	10.8

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

signed an exclusive deal with the Idaho National Laboratory to research and produce a newly patented product, the Deep Focus Ultrasonic Transducer with Integrated Pulser Receiver. This product can "see through" most types of material much like a sonogram or x-ray. It has also been compared to a microscope that has the capability of seeing under the surface instead of just surface details. The transducer will examine nuclear fuel along with performing many other types of inspections. Information on the company is on the Web at www.okos.com.

UNDEREMPLOYMENT – *Measuring the Strength of the Economic Expansion*

In May 2005, Idaho's unemployment rate slipped below the 4 percent mark that many view as full employment and continued a steady decline. As the rate hit 3.5 percent a year later, help wanted signs were becoming increasingly common at businesses throughout the state, and there were early signs that some areas would soon experience certain skill shortages.

The Idaho economy has been generating jobs at one of the fastest rates in the country. The state led the nation in job creation during the second quarter of 2006 as the unemployment rate dropped below 3.5 percent and headed toward record lows under 3 percent in 2007.

Lower-paying jobs were becoming harder and harder to fill as competition for qualified workers in higher-paying industries intensified and the pool of available labor shrank. Post-secondary education institutions reported declining enrollment as potential students opted for full-time employment in what was quickly becoming a worker's job market. The number of skilled machinists, welders and other tradesmen was not increasing at a rate to keep pace with manufacturing expansion and a red hot construction sector.

Even wages in what is known as one of the low-wage states of the Intermountain West began rising in late 2004 and were averaging over \$200 a month higher in early 2006 than the year before.

The number of unemployed dropped to its lowest level since 1976 when the statewide labor force was only half the size it is today.

All this created concerns about where the workers would come from to keep Idaho's dramatic economic expansion going. And it turned attention on the quality of the 85,000 jobs the expansion produced in the last four years.

The unemployment rate is near rock bottom so clearly people are working. Nearly 68 percent of Idaho's residents over 15 are either working or looking for work — two percentage points higher than the national labor force participation rate.

But while the economy has been expanding, the share of Idaho workers holding multiple jobs has been among the highest in the nation. At 8 percent, Idaho ranked ninth in 2005, the most recent statistic. That was down from 8.6 percent in 2004, which ranked sixth nationally. In 2003, the rate was 8.1 percent, ranking 10th. Depending on individual circumstances, multiple job holders could be considered underemployed.

Determining the level of underemployment would provide both a measure of the quality of jobs the economy is creating and the potential pool of additional workers, who could be tapped by new or expanding employers if their wage and working conditions were right.

Regional Economists Doug Tweedy in Lewiston and John Panter in Meridian developed a statistical method to quantify underemployment in terms of people looking for full-time jobs but are working part-time or temporary jobs and people who are employed in jobs with wages, benefits or responsibilities below their training level.

The underemployed are already working but are underpaid, lack benefits or are disgruntled for any number of reasons. As a result, they offer a window on the quality of jobs being generated while representing a pool of labor in addition to the unemployed that economic developers and existing businesses can take advantage of under the right conditions.

The underemployed can be critical in periods of extremely low unemployment because they represent a reserve of workers to staff economic expansion that can otherwise be thwarted if companies simply look at the unemployment rate and assume they will not be able to find an adequate work force.

The monthly labor force report provides data only on whether people are working and nothing about the quality of their jobs or whether they are full-time or part time. Being able to estimate by county the number of underemployed — and therefore likely interested in other, better jobs — is an asset in continuing Idaho's economic expansion and employment growth.

To these ends, Tweedy and Panter developed an underemployment model. It relies on job applications and job orders filed with the 24 local Labor Department offices, focusing on part-time and full-time job opportunities and job seekers with associate degrees or higher who have jobs but are looking for new ones.

The ratio between part-time and full-time job listings is used to determine the ratio of part-time and full-time workers in the county.

The factor of employment qualifications is determined by quantifying the job seekers with associate degrees or higher who are currently employed but still looking for another job. Those workers are identified from the job search registrations with the local office.

The number of people with jobs and education who are still looking for work and the number involuntarily

working part-time or temporary full-time jobs under 150 days are a county's underemployed. That total divided by the total number of people working in the county provides the underemployment rate.

While this model has its limitations, especially in evaluating smaller counties, it uses already available data, providing a consistent and automated, cost-effective approach to quantifying the underemployed.

Statewide, the model shows that in 2003, the first full year after the end of the national recession, there were more than 119,000 underemployed workers — 18.2 percent of total employment — on top of the 36,600 people out of work, or 5.3 percent of the labor force.

Two years later, the labor force had grown by 46,000, but the number of underemployed dropped by almost 22,000 to 97,400 while the number of unemployed was down more than 8,000 to about 28,000.

That translates into 76,000 people finding jobs or getting better jobs over two years. While suggesting the quality of jobs was good, the experience county by county was varied. While the unemployment rate fell in every county, some markedly, over the two years, the underemployment rate did not drop across the board. Seven of the 44 counties showed higher underemployment rates and one showed no change.

In 2006, the statewide labor force grew by another 10,500 while the number of underemployed dropped by 2,600, matching the decline in the number of unemployed. But again, the direction of underemployment varied among the counties. Twenty-one counties showed increases from 2005 and two remained unchanged.

CASE STUDIES

ADA COUNTY

In 2003, the underemployment rate in Ada County, the state's largest business and labor center, was 15.9 percent, about 27,000. By 2005, it had declined by 7,100 to 10.8 percent even as the total labor force grew by 11,000, indicating the economy was creating better jobs.

The data showed fewer part-time or temporary jobs being listed with the local Labor Department offices. In Ada County, 66 percent of the jobs were full-time in 2003. That was up to 74 percent in 2005

As for job seeker qualifications, 3.4 percent of workers in 2003 had associate or higher degrees and were looking for other jobs. In 2005, that number had increased to 3.7 percent. While the actual number of workers in this situation should increase as the labor force increases, their percentage of the full-time labor force should not if new job quality is good.

The fact that the percentage of those workers rose from 2003 to 2005 could indicate that while a lot of jobs

were created, their quality was less than what was hoped.

KOOTENAI COUNTY

In Kootenai County, underemployment kept pace with labor force expansion.

In 2003 the underemployment rate calculated by the model was 10.2 percent. About 27 percent of the jobs were part-time, and 4.4 percent of the full-time workers with associate degrees or better were looking for other jobs.

Two years later, the labor force had grown by 10 percent and unemployment was down over two percentage points to 4.2 percent. Nearly 7,000 more people were working in Kootenai County in 2005 than in 2003.

But the number of part-time jobs was up to 31 percent, and 4.7 percent of the full-time workers with associate degrees or better were looking for other jobs.

The result — the underemployment rate held at 10.2 percent, again suggesting that new job quality may not have been as high as expected. It also illustrates the shortcomings of using total employment to assess the quality of jobs.

Because underemployment has been conceptualized and estimated in so many ways, precise figures on its extent have not been readily available. The Idaho Department of Labor's 24 local offices have the information on the job market and applicant pool that enables part-time and temporary workers to be quantified, the conditions and number of jobs assessed, wage information accumulated and applicant education characteristics identified.

This information from employers and applicants is the most accurate data available on the composition of Idaho's state and local labor markets.

ASSUMPTIONS

But in calculating underemployment, several assumptions are required.

Total county employment by residence as calculated by the U.S. Bureau of Labor Statistics is the starting point. The total labor force figure was not used because it includes those who are unemployed, and this model attempts to measure only underemployment.

It is assumed that the job orders and applicant data received by the 24 local offices reflect the actual mix of the local economy's part-time and full-time jobs and qualifications of the work force.

Job orders that were part-time, temporary or full-time lasting for less than 150 days were presumed to be filled by workers wanting permanent full-time jobs and took these part-time or temporary jobs involuntarily because they felt nothing else was available. That makes them underemployed.

The model assumes that people working part-time jobs for over 150 days are doing so voluntarily because

they knew going in that it was a long-term part-time job.

Currently employed people who have associate degrees or higher and have filed job applications are assumed to be looking for work because they want a new or better job in terms of wages or benefits or responsibilities related to their field of training. That makes them underemployed.

This model does not try to measure holiday and seasonal workers because they are not considered underemployed since it is assumed this is all they wish to work. The model attempts to measure the underemployment rate of the workers who are in the labor force all year, not just for a few months at a time.

For a few counties that are long distances from a local Labor Department office, the model does not work as well. Those counties are Bear Lake, Oneida, Franklin, Camas, Caribou, Butte and Clark.

Because underemployment is subjective, no wage data was used to avoid the likelihood that an extremely high rate of people would claim underemployment if wages were the only variable used. Even without specific

wage data, however, it is believed the model captures the effect of lower wages in the components of involuntary part-time workers and educated employed job seekers looking for work since wages are likely to be a factor in both situations.

In addition, the number of employed job seekers with education who are looking for work is underestimated. Only those who have come through a Labor Department local office are counted, and clearly other employed workers with degrees are looking for better jobs, just not through the Labor Department system.

FYI Table 1 below and continued on page 29 provides underemployment numbers and percentages by county for 2003, 2005 and 2006. The state map on page 30 illustrates the current underemployment picture.

Bob Fick, Communications Manager
317 W. Main St., Boise, ID 83735
(208) 332-3570, ext. 3628
E-mail: bob.fick@labor.idaho.gov

FYI Table 1: Underemployment by County (part 1)								
County	2006		2005		2003		Percentage Point Change in Rate	
	Rate	Number	Rate	Number	Rate	Number	03-'05	05-'06
Northern Idaho								
Benewah	10.3%	415	15.0%	571	15.3%	541	-0.3%	-4.7%
Bonner	13.2%	2,627	10.9%	2,161	16.4%	2822	-5.5%	2.3%
Boundary	31.2%	1,231	18.6%	739	23.2%	882	-4.6%	12.6%
Kootenai	9.4%	6,254	10.2%	6,606	10.2%	5921	0.0%	-0.8%
Shoshone	10.4%	555	10.0%	542	13.8%	675	-3.8%	0.4%
North Central Idaho								
Clearwater	13.8%	422	13.8%	425	14.0%	408	-0.2%	0.0%
Idaho	19.1%	1,278	21.9%	1,477	18.5%	1162	3.4%	-2.8%
Latah	10.3%	1,858	13.1%	2,314	16.8%	2592	-3.7%	-2.8%
Lewis	24.8%	420	28.0%	480	23.7%	382	4.3%	-3.2%
Nez Perce	20.9%	3,795	21.0%	3,838	30.7%	5508	-9.7%	-0.1%
Southwestern Idaho								
Ada	11.4%	21,538	10.8%	19,827	15.9%	26939	-5.1%	0.5%
Adams	18.2%	355	11.3%	198	22.1%	356	-10.8%	6.9%
Boise	18.0%	664	7.0%	254	9.6%	321	-2.6%	11.0%
Canyon	13.5%	10,673	15.6%	11,799	21.7%	14997	-6.1%	-2.0%
Elmore	14.3%	1,488	14.2%	1,469	19.2%	1903	-5.0%	0.1%
Gem	23.4%	1,694	17.9%	1,266	43.4%	2885	-25.5%	5.6%
Owyhee	16.0%	774	13.2%	634	18.8%	862	-5.6%	2.8%
Payette	18.8%	1,840	24.8%	2,410	27.4%	2643	-2.6%	-6.1%
Valley	17.2%	827	17.4%	784	26.8%	989	-9.4%	-0.2%
Washington	13.5%	652	16.2%	771	19.1%	845	-2.9%	-2.8%

Table continued on page 29

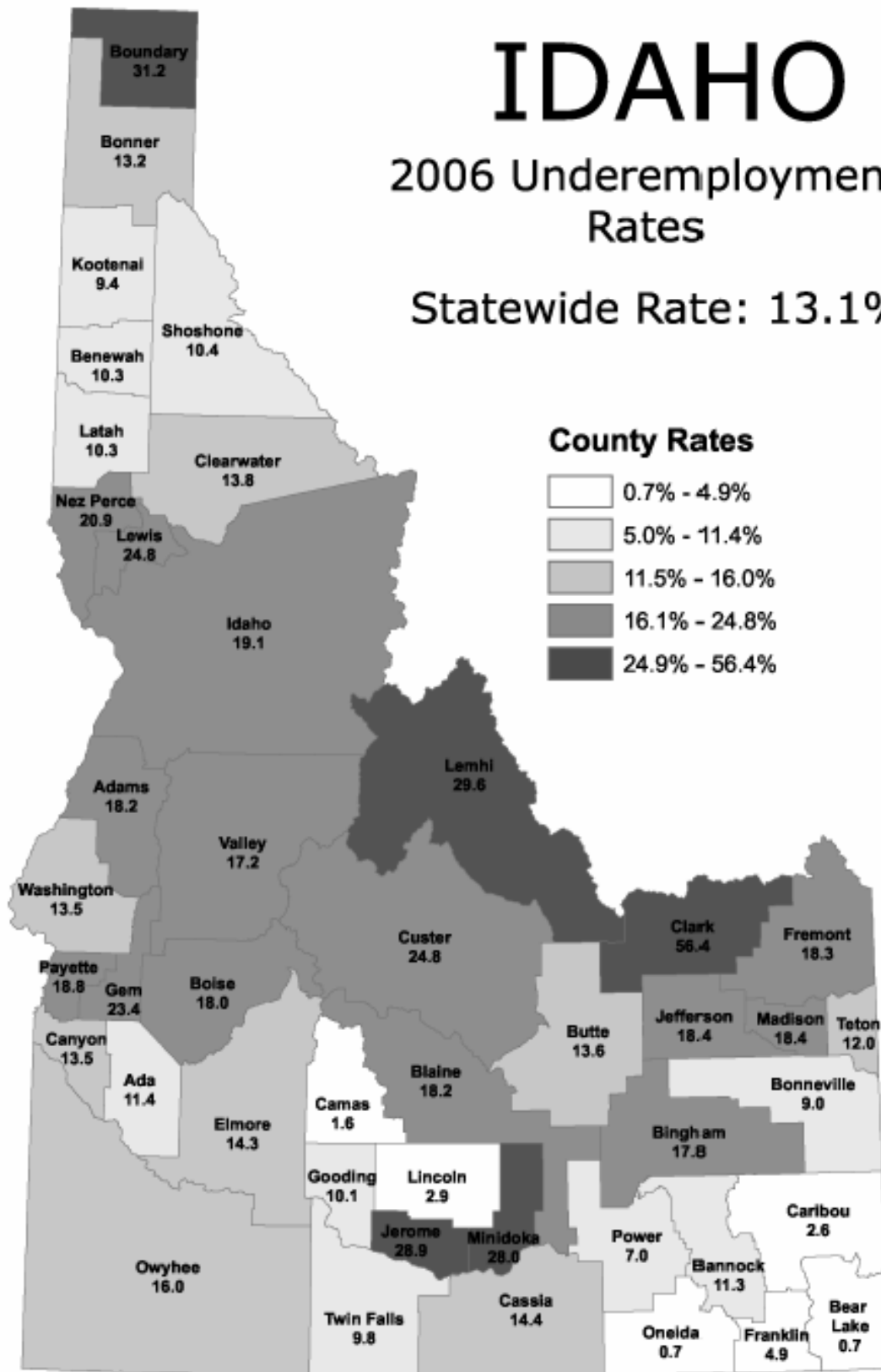
FYI Table 1: Underemployment by County (continued from page 28)

County	2006		2005		2003		Percentage Point Change in Rate	
	Rate	Number	Rate	Number	Rate	Number	03-'05	05-'06
South Central Idaho								
Blaine	18.2%	2,566	21.2%	2,965	22.5%	2761	-1.3%	-3.1%
Camas	1.6%	10	23.6%	139	51.5%	278	-27.9%	-22.0%
Cassia	14.4%	1,448	12.1%	1,172	14.7%	1372	-2.6%	2.3%
Gooding	10.1%	853	7.7%	623	11.4%	824	-3.7%	2.4%
Jerome	28.9%	3,022	4.8%	473	17.0%	1573	-12.2%	24.1%
Lincoln	2.9%	72	7.2%	177	24.6%	545	-17.4%	-4.3%
Minidoka	28.0%	2,619	41.4%	3,759	56.1%	4917	-14.7%	-13.4%
Twin Falls	9.8%	3,832	17.5%	6,372	17.7%	6098	-0.2%	-7.7%
Southeastern Idaho								
Bannock	11.3%	4,445	13.4%	5,299	15.4%	5778	-2.0%	-2.1%
Bear Lake	0.7%	20	0.5%	15	0.6%	17	-0.1%	0.2%
Bingham	17.8%	3,548	25.8%	5,386	16.1%	3119	9.7%	-8.1%
Caribou	2.6%	85	22.2%	706	12.1%	388	10.1%	-19.6%
Franklin	4.9%	297	0.5%	31	13.4%	757	-12.9%	4.3%
Oneida	0.7%	16	0.7%	16	0.8%	15	-0.1%	0.0%
Power	7.0%	257	21.8%	796	12.1%	414	9.7%	-14.8%
East Central Idaho								
Bonneville	9.0%	4,075	10.4%	4,966	14.6%	6431	-4.2%	-1.4%
Butte	13.6%	156	2.3%	27	14.3%	174	-12.0%	11.3%
Clark	56.4%	288	2.4%	12	1.0%	5	1.4%	54.0%
Custer	24.8%	611	3.7%	93	9.0%	211	-5.3%	21.1%
Fremont	18.3%	1,054	11.9%	714	37.6%	2056	-25.7%	6.4%
Jefferson	18.4%	1,832	10.4%	1,077	29.9%	2,841	-19.5%	8.0%
Lemhi	29.6%	1,123	18.3%	711	42.6%	1,500	-24.3%	11.3%
Madison	18.4%	2,639	11.9%	1,755	12.8%	1,675	-0.9%	6.6%
Teton	12.0%	543	35.6%	1,542	25.7%	1,039	9.9%	-23.6%
Statewide Avg.	13.1%	94,771	13.7%	97,392	18.2%	119,187	-4.5%	-0.6%
# Unemployed		25,600		28,200		36,600		
Unemployment Rate	3.4%		3.8%		5.3%			
Work Force		749,200		738,700		692,700		

IDAHO

2006 Underemployment Rates

Statewide Rate: 13.1%



Source: Idaho Commerce & Labor, Research & Analysis Bureau

Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Metropolitan Statistical Areas (MSA): Combinations of counties in which at least half the residents live in an urban center of 50,000 or more and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MSAs. Idaho has five MSAs: Boise MSA including Ada, Canyon, Boise, Gem and Owyhee counties; Bonneville MSA including Bonneville and Jefferson counties; Pocatello MSA including Bannock and Power counties; Lewiston MSA including Nez Perce County and Asotin County, Wash.; Coeur d’Alene MSA including Kootenai, Boundary, Bonner, Benewah and Shoshone counties.

Micropolitan Statistical Area (MicSA): Combinations of counties in which at least half the residents live in urban

centers totaling at least 10,000—or 5,000 living in a single urban center—and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MicSAs. Idaho has three MicSAs: Burley MicSA including Cassia and Minidoka counties; Rexburg MicSA including Madison and Fremont counties; Twin Falls MicSA including Twin Falls and Jerome counties.

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Small Labor Market Areas (SLMA): Combinations of counties with significant ties through commuting patterns but no urban centers with populations of 10,000 or more. The Office of Management and Budget designates the SLMAs. Idaho has two SLMAs: Hailey SLMA including Blaine and Camas counties; Grangeville SLMA including Lewis and Idaho counties.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.